UPM

Half year financial report

2026

UPM Half Year Financial Report 2026:

Improved second quarter results in all businesses and portfolio change progressing

Q2 2026 highlights, continuing operations

- Sales totaled €2,355 million (2,341 million in Q2 2025)
- Comparable EBIT increased by 71% to €212 million, 9.0% of sales (124 million, 5.3%)
- All businesses improved their results from last year
- UPM and Sappi signed a definitive agreement on the graphic paper Joint Venture
- The Board approved a plan to demerge the Plywood business into a new listed company. The Extraordinary General Meeting to decide on the demerger plan will be held on August 31, 2026
- UPM achieved a Platinum rating from EcoVadis and an A score from CDP for its supplier engagement

H1 2026 highlights, continuing operations

- Sales totaled €4,781 million (4,914 million in H1 2025)
- Comparable EBIT increased by 17% to €471 million, 9.8 % of sales (404 million, 8.2 %)
- Strong performance in Decarbonization solutions businesses (UPM Energy and UPM Biofuels)
- Robust sales growth and performance in Advanced materials businesses (UPM Adhesive Materials and UPM Specialty Materials)
- Operating cash flow was €225 million (468 million)[1]
- The first installment of the dividend for the year 2025 was paid in April, totaling €395 million
- Net debt was 3,313€ million at the end of June (3,310 million) and net debt to EBITDA ratio was 2.36 (2.12)[1]

[1] Operating cash, net debt and net debt to EBITDA ratio include continuing and discontinued operations.

UPM Plywood is presented as discontinued operations due to the proposed demerger

On April 29, 2026, the Board of Directors of UPM approved a demerger plan for the separation of the Plywood business into an independent listed company. As a result of the proposed demerger, the Plywood business is presented as a discontinued operation in accordance with IFRS 5. Unless otherwise stated, the commentary in this report relates to UPM's continuing operations. More information in *Financial statement information Note 10 assets and liabilities classified as held for distribution to owners and discontinued operations.*

Key figures, continuing operations

	Q2/2026	Q2/2025	Q1/2026	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Sales, € million	2,355	2,341	2,425	4,781	4,914	9,392
Comparable EBITDA, € million	356	250	375	732	659	1,254
% of sales	15.1	10.7	15.5	15.3	13.4	13.4
Operating profit (loss), € million	208	105	245	453	296	719
Comparable EBIT, € million	212	124	259	471	404	883
% of sales	9.0	5.3	10.7	9.8	8.2	9.4
Profit (loss) before tax, € million	182	83	226	409	249	660
Comparable profit before tax, € million	186	103	240	426	359	825
Profit (loss) for the period, € million	163	70	195	358	208	466
Comparable profit for the period, € million	163	87	203	366	305	684
Earnings per share (EPS), €	0.29	0.13	0.36	0.65	0.38	0.86
Comparable EPS, €	0.29	0.16	0.38	0.67	0.56	1.27
Return on capital employed (ROCE), %	5.9	3.2	7.2	6.6	4.2	5.4
Comparable ROCE, %	6.0	3.7	7.6	6.9	5.7	6.5
Capital employed at the end of period, € million	13,954	14,213	14,186	13,954	14,213	13,948
Personnel at the end of period	13,665	14,764	13,347	13,665	14,764	13,676

UPM presents certain measures of performance, financial position and cash flows, which are alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority (ESMA). The definitions of alternative performance measures are presented in UPM's *» Annual Report 2025*

Key figures, discontinued operations

The financial information presented for the discontinued operations is not representative of the historical or future profitability of the UPM Plywood business area as a standalone business. Information on UPM Plywood's performance is presented in the segment information.

	Q2/2026	Q2/2025	Q1/2026	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Sales, € million	84	59	80	164	132	264
Comparable EBITDA, € million	20	7	20	39	19	57
% of sales	23.3	11.9	24.8	24.0	14.8	21.5
Operating profit (loss), € million	9	2	10	20	9	30
Comparable EBIT, € million	18	2	15	33	9	38
% of sales	21.4	3.2	19.0	20.2	6.9	14.4
Profit (loss) before tax, € million	4	2	10	14	9	30
Comparable profit before tax, € million	18	2	15	33	9	38
Profit (loss) for the period, € million	3	1	5	9	7	24
Comparable profit for the period, € million	14	1	9	24	7	31
Return on capital employed (ROCE), %	21.7	3.9	22.0	21.9	9.8	16.4
Comparable ROCE, %	37.4	4.3	32.7	35.1	10.0	20.8
Capital employed at the end of period, € million	196	181	189	196	181	181
Personnel at the end of period	1,519	1,543	1,454	1,519	1,543	1,451

Key figures, UPM total

UPM total	Q2/2026	Q2/2025	Q1/2026	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Sales, € million	2,440	2,400	2,505	4,945	5,046	9,656
Comparable EBITDA, € million	376	257	395	771	678	1,311
% of sales	15.4	10.7	15.8	15.6	13.4	13.6
Operating profit (loss), € million	217	107	255	472	305	749
Comparable EBIT, € million	230	126	274	504	413	921
% of sales	9.4	5.2	10.9	10.2	8.2	9.5
Profit (loss) before tax, € million	186	85	236	422	258	690
Comparable profit before tax, € million	204	105	255	459	367	863
Profit (loss) for the period, € million	166	71	200	366	215	491
Comparable profit for the period, € million	177	89	213	390	312	714
Earnings per share (EPS), €	0.30	0.13	0.37	0.67	0.39	0.91
Comparable EPS, €	0.32	0.17	0.39	0.71	0.57	1.33
Return on equity (ROE), %	6.4	2.7	7.6	7.1	3.9	4.5
Comparable ROE, %	6.8	3.4	8.1	7.6	5.7	6.5
Return on capital employed (ROCE), %	6.1	3.2	7.4	6.8	4.3	5.5
Comparable ROCE, %	6.5	3.7	7.9	7.2	5.8	6.7
Operating cash flow, € million	136	179	89	225	468	1,405
Operating cash flow per share, €	0.26	0.34	0.17	0.43	0.88	2.66
Equity per share at the end of period, €	18.86	18.96	19.48	18.86	18.96	18.97
Capital employed at the end of period, € million	14,149	14,394	14,375	14,149	14,394	14,129
Net debt at the end of period, € million	3,313	3,310	2,962	3,313	3,310	3,004
Net debt to EBITDA (last 12 months)	2.36	2.12	2.30	2.36	2.12	2.29
Personnel at the end of period	15,184	16,307	14,801	15,184	16,307	15,127

Massimo Reynaudo, President and CEO, comments on the results:

“In the second quarter, we reached two important milestones in the transformation of UPM. We signed the definitive agreement to create the graphic paper joint venture with Sappi, and advanced the separation of the plywood business into the future WISA Group. Following these steps, UPM is positioned with stronger growth prospects and improved earnings quality.

During the quarter, all our businesses improved their results compared to the same period last year, with most also outperforming the previous quarter. Increased volumes, margin management and sustained efficiency measures supported our profitability in a business environment that turned inflationary.

In Q2, sales from our continuing operations were slightly up at €2,355 million, and comparable EBIT increased to €212 million, 71 percent higher than in the same period last year. Net debt at the end of the reporting period was €3,313 million, including both continuing and discontinued operations, and net debt to EBITDA ratio was 2.36.

In decarbonization solutions, UPM Biofuels recorded a strong quarter with good demand and healthy bio-premiums for advanced renewable fuels. Prices were further supported by higher fossil fuel reference prices. The ramp-up of our biorefinery in Leuna, Germany, continued. Customer deliveries of industrial sugars reached substantial volumes, and deliveries of renewable functional fillers and other lignin derivatives are expected to start during Q3. UPM Energy improved its results from last year, although the second quarter saw normal seasonality. Structurally, electricity consumption continued to grow year-on-year, and we are well positioned to create value by serving new large-scale consumers.

The markets for our advanced materials businesses, UPM Adhesive Materials and UPM Specialty Materials, showed robust growth in Europe and Asia. Both businesses succeeded in the markets, thanks to a focus on commercial excellence and product portfolio development, and sharpened competitiveness.

Our world-class pulp platform in Uruguay, UPM Fibres South, has consistently improved efficiency for several quarters in a row. In the second quarter, this helped us to fully offset the increases in logistics and other costs. Profitability was further improved by a moderate increase in pulp prices.

For the Fibres North platform in Finland, the business environment is challenging. Even though pulpwood prices have decreased, profitability remains low. The second quarter earnings were also impacted by the maintenance shutdown at the UPM Pietarsaari mill. We are planning temporary shutdowns of the UPM Kaukas pulp mill and potentially the UPM Pietarsaari pulp mill, to optimize production and wood sourcing, and ensure profitability.

UPM Communication Papers’ business performance was broadly stable, with slightly improved margins. Preparations for the planned graphic paper Joint Venture continued. In late May we signed the definitive agreement with Sappi, and secured financing arrangements for the Joint Venture. The EU merger control process moved to Phase II, with final resolutions expected by the end of 2026.

UPM Plywood continued to perform well as the business prepared for separation into an independent listed company, WISA Group. In April, the Board of Directors approved the demerger plan. Subject to the decision of the Extraordinary General Meeting, trading in the shares of WISA Group on Nasdaq Helsinki is currently expected to commence in early November. By separating the plywood business onto its own growth path, we are strengthening its future prospects and streamlining UPM’s business portfolio.

Following the planned graphic paper joint venture and plywood separation, UPM operates in structurally growing markets. The ongoing reshaping of UPM's portfolio highlights our position in businesses with stronger growth characteristics, and our direction going forward is towards higher value-added products and lower cyclicality."

Profit guidance, continuing operations

UPM's comparable EBIT in H2 2026 from continuing operations is expected to be approximately in the range of €375-575 million (€479 million in H2 2025, and €471 million in H1 2026). These figures exclude UPM Plywood, which is classified as discontinued operations.

Outlook

There continue to be significant uncertainties in geopolitics and trade.

In H2 2026, compared with H1 2026, UPM's performance is expected to be supported by moderately higher sales prices. Variable costs are expected to increase moderately. Energy refunds are expected to support UPM Communication Papers' result in Q4. Maintenance activity is expected to increase from the comparison period. The production ramp-up at UPM Leuna is expected to increase costs.

In H2 2026, compared with H2 2025, UPM's performance is expected to benefit from higher sales prices. Variable costs are expected to increase moderately. Fair value change of forest assets is expected to have a significantly smaller impact on comparable EBIT in H2 2026 than in H2 2025 (€131 million). The energy refunds to be booked in UPM Communication Papers in Q4 are anticipated to have a somewhat smaller positive impact than in 2025. Maintenance activity is expected to increase from the comparison period. The production ramp-up at UPM Leuna is expected to increase costs.

Sensitivity to pulp and electricity prices

UPM's comparable EBIT is sensitive to pulp and electricity prices. The figures below represent group earnings sensitivities on annual level.

UPM is a large producer and consumer of chemical pulp. A €50/tonne change in average pulp price would impact annual comparable EBIT by approximately €180 million (net impact: assuming no correlation between pulp and paper prices) to approximately €270 million (gross impact: assuming paper pricing would match changes in pulp costs).

UPM is a large producer and consumer of electricity in Finland and separately hedges part of its electricity sales and purchases. Based on UPM's estimated unhedged net electricity sales position in Finland in 2026, a €10/MWh change in average electricity market price in Finland would impact annual comparable EBIT by approximately €40 million.

Foreign exchange exposure

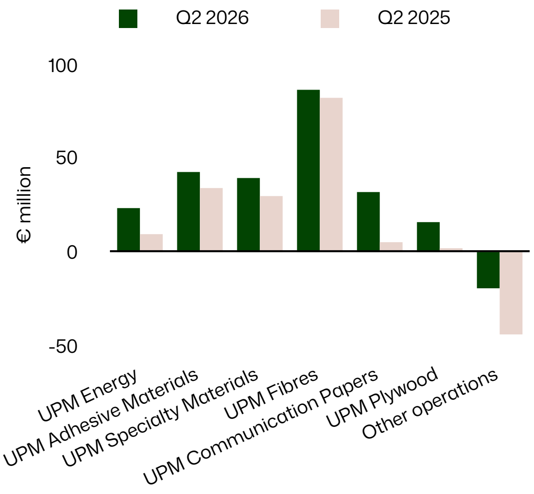
Fluctuations in monetary policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions could influence currency exchange rates. These currency fluctuations could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

The Group's policy is to hedge an average of 50% of its estimated net currency cash flows on a rolling basis over the next 12-month period. At the end of Q2 2026, UPM's estimated net currency cash flows for the next 12 months totaled approximately €1.5 billion. USD was the largest exposure at approximately €1.4 billion, followed by UYU, GBP, CNY and JPY. In addition, the earnings of UPM's foreign subsidiaries are translated to euros in reporting. UPM has significant foreign subsidiaries in Uruguay, the U.S. and China. Foreign exchange risks are discussed in UPM's Annual Report 2025 on pages 313–314.

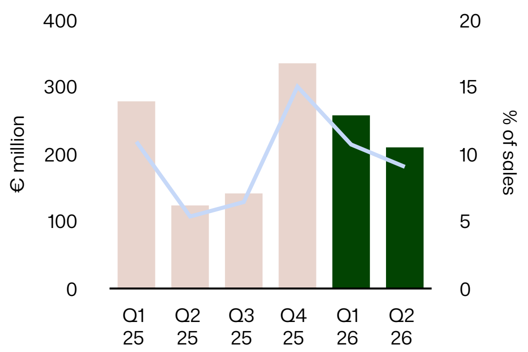
Timing of significant maintenance shutdowns

Timing	Unit
Q1-Q2/2025	Olkiluoto nuclear power plant unit OL3
Q2/2025	Olkiluoto nuclear power plant units OL1 and OL2
	UPM Paso de los Toros pulp mill
	UPM Kymi pulp mill
Q3/2025	UPM Kaukas pulp mill
Q4/2025	UPM Fray Bentos pulp mill
Q2/2026	Olkiluoto nuclear power plant units OL1 and OL2
	UPM Pietarsaari pulp mill
Q3/2026	UPM Lappeenranta biorefinery
Q3-Q4/2026	Olkiluoto nuclear power plant unit OL3
Q4/2026	UPM Paso de los Toros pulp mill

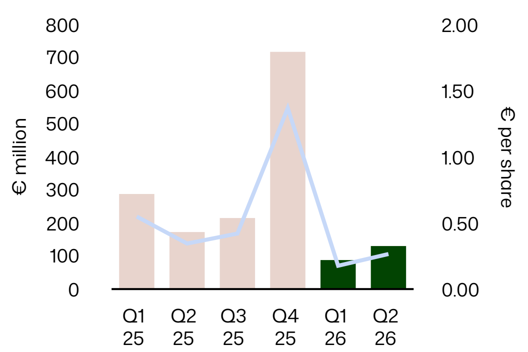
Comparable EBIT



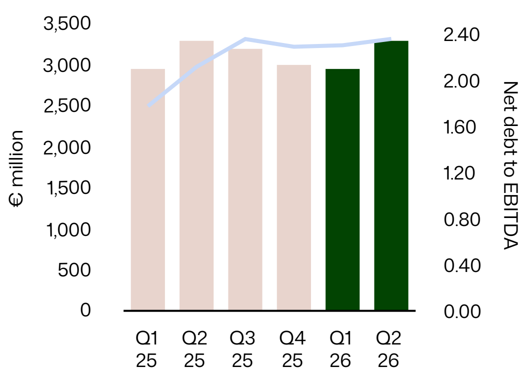
Comparable EBIT, continuing operations



Operating cash flow *



Net debt and net debt to EBITDA *



*Operating cash, net debt and net debt to EBITDA ratio Include continuing and discontinued operations.

Results, continuing operations

Q2 2026 compared with Q2 2025

Q2 2026 sales totaled €2,355 million, 0.6% higher than the €2,341 million in Q2 2025. The increase in sales was driven by higher delivery volumes in most businesses, whereas changes in currencies had a negative impact on sales. Sales increased in all businesses, with the exception of UPM Communication Papers.

The comparable EBIT increased by 71% to €212 million, which was 9.0% of sales (124 million, 5.3%). Comparable EBIT increased in all businesses compared to last year.

Variable costs decreased in most businesses, while changes in sales prices were neutral to the group level comparable EBIT. Delivery volumes increased in most businesses. Fixed costs decreased by €23 million. Changes in currencies, net of hedging, had a negative impact on comparable EBIT.

Depreciation, amortization and impairment charges excluding items affecting comparability totaled €122 million (133 million), including depreciation of leased assets totaling €22 million (22 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €-24 million (6 million).

Operating profit was €208 million (105 million). Items affecting comparability in operating profit totaled €-4 million in the period (-19 million). More information on items affecting comparability in *Financial statement information Note 2 Quarterly information by business area.*

Net interest and other finance income and costs were €-22 million (-21 million). The exchange rate and fair value gains and losses were €-3 million (-1 million). Items affecting comparability in finance costs totaled €0 million (-1 million). Income taxes were €-19 million (-13 million). Items affecting comparability in taxes totaled €4 million (3 million).

Profit for Q2 2026 was €163 million (70 million), and comparable profit was €163 million (87 million).

Q2 2026 compared with Q1 2026

The comparable EBIT decreased by 18.0% to €212 million, which was 9.0% of sales (259 million, 10.7%).

Comparable EBIT decreased mainly due to higher maintenance activity, impacting both delivery volumes and fixed costs. Sales prices increased, with the exception of the usual seasonal decline in energy prices. Variable costs increased slightly.

On the group level, changes in delivery volumes had a small negative impact on comparable EBIT. Fixed costs increased by €46 million, partially due to seasonal fluctuations and partially due to higher maintenance activity than in the previous quarter.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €122 million (122 million). The change in the fair value of forest assets net of wood harvested in comparable EBIT was €-24 million (5 million).

Operating profit was €208 million (245 million). Items affecting comparability in the operating profit totaled €-4 million for the period (-14 million). More information on items affecting comparability in *Financial statement information Note 2 Quarterly information by business area.*

January–June 2026 compared with January–June 2025

In H1 2026 sales were €4,781 million, 3% lower than the €4,914 million in H1 2025. Sales decreased in UPM Fibres, UPM Specialty Materials and UPM Communication Papers, but increased in UPM Energy and UPM Adhesive Materials business areas, and in the Other operations segment.

Comparable EBIT increased by 17% to €471 million, 9.8 % of sales (404 million, 8.2%). Variable costs decreased significantly more than sales prices, having a positive impact on comparable EBIT. The result was further supported by increased deliveries and a decline in fixed costs of €43 million.

Depreciation, amortization and impairment charges excluding items affecting comparability, totaled €244 million (268 million) including depreciation of leased assets totaling €43 million (45 million). The change in the fair value of forest assets net of wood harvested was €-19 million (12 million).

Operating profit totaled €453 million (296 million). Items affecting comparability in operating profit totaled €-18 million in the period (-108 million). More information on items affecting comparability in *Financial statement information Note 2 Quarterly information by business area.*

Net interest and other finance costs were €-45 million (-48 million). The exchange rate and fair value gains and losses were €1 million (2 million). Items affecting comparability in finance costs totaled €0 million (-1 million). Income taxes totaled €-51 million (-41 million).

Profit for H2 2026 was €358 million (208 million), and comparable profit was €366 million (305 million).

Financing and cash flow

The following information includes both continuing and discontinued operations.

€ million	Q2/26	Q2/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Operating cash flow	136	179	225	468	1,405
Net debt at the end of period	3,313	3,310	3,313	3,310	3,004
Net debt to EBITDA (last 12 m)	2.36	2.12	2.36	2.12	2.29
Gearing ratio %	32	32	32	32	29

In H1 2026, the cash flow from operating activities before capital expenditure and financing totaled €225 million (468 million in 2025). Working capital increased by €339 million (increased by 112 million), partially due to seasonal variations, and partly due to increased volumes and prices.

Net debt was €3,313 million at the end of Q2 2026 (3,310 million at the end of Q2 2025). The gearing ratio as of June 30, 2026 was 32% (32%). The net debt to EBITDA ratio, based on the last 12 months' EBITDA, was 2.36 at the end of the period (2.12).

On June 30, 2026, UPM's cash funds and unused committed credit facilities totaled €2.3 billion. The total amount of committed credit facilities was €1.9 billion of which €159 million will mature in 2027, €1.7 billion will mature in 2029 or beyond.

For the 2025 financial year, the dividend of €1.50 per share is paid in two equal installments. The first installment of €0.75 per share (totaling €395 million) was paid on April 21, 2026, and the second installment of €0.75 per share will be paid on November 6, 2026 (totaling €395 million).

Capital expenditure, continuing operations

In H1 2026, capital expenditure excluding investments in shares from continuing operations totalled €109 million (198 million), which was 2.3% of sales. There were no investments in shares during the period. In H1 2025, capital expenditure including investment in shares from continuing operations amounted to 371 million, which was 7.6% of sales. Capital expenditure does not include additions to leased assets.

In 2026 capital expenditure from continuing operations excluding investments in shares, is expected to be about €300 million.

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals biorefinery in Leuna, Germany. The total investment estimate is €1,370 million.

UPM Adhesive Materials has ongoing production capacity investments in Mills River, North Carolina, U.S., and in Johor Bahru, Malaysia. The business area is also opening new slitting and distribution terminals near Hanoi, Vietnam, and near New Delhi, India.

UPM Energy invests over €20 million in the extensive modernization of the Tyrvää hydropower plant in Finland, including the refurbishment of both turbine-generator units. The modernization is expected to be fully completed by the end of 2030.

Personnel

In H1 2026, UPM had an average of 14,933 employees (15,999). At the beginning of the year, the number of employees was 15,127 and at the end of H1 it was 15,184.

Continuing operations had an average of 13,466 employees (14,486). At the beginning of the year, the number of employees was 13,676 and at the end of the H1 it was 13,665.

Discontinued operations had an average of 1,467 employees (1,513). At the beginning of the year, the number of employees was 1,451 and at the end of the H1 it was 1,519.

Planned graphic paper Joint Venture

On May 28, 2026, UPM announced it had signed a definitive agreement to form a graphic paper Joint Venture with Sappi, and the parties had secured financing arrangements that will provide a robust financial standing for the Joint Venture. A non-binding letter of intent (LOI) on the transaction was signed on December 4, 2025.

The Joint Venture will include the entire UPM Communication Papers business and Sappi's graphic paper business in Europe. The Joint Venture will be owned 50/50 by UPM and Sappi. It will operate as an independent company, managing its own operations, resources, and decisions within agreed shareholder boundaries.

Until the closing of the intended Joint Venture according to the satisfaction of all legal and regulatory requirements, UPM Communication Papers and Sappi's European graphic paper business will continue to operate as separate and independent companies.

The Joint Venture is expected to create annual synergies estimated at about €100 million through asset and logistics optimizations, product portfolio rationalization, sourcing efficiency improvements and operational efficiencies.

Financing secured for the Joint Venture:

- The parties have secured €600 million of external financing for the transaction as well as a committed revolving credit facility of €100 million to finance the Joint Venture's operational liquidity needs, both facilities fully underwritten by Citi and Nordea.
- At the closing of the transaction, the Joint Venture will raise the agreed debt to fund the cash consideration payable to UPM and Sappi respectively. To ensure adequate equity and balance sheet for the Joint Venture, the parties have agreed that a part of the purchase prices will be financed through shareholder loans as explained below in further detail.
- Except for the shareholder loans, the Joint Venture will be independently financed following the closing, and to the

extent it would require additional funding, such financing shall be without any recourse to the shareholders.

Based on the definitive agreement:
- UPM and Sappi will contribute their respective businesses and assets to the Joint Venture with a combined enterprise value of €1,420 million, excluding the value of expected synergy benefits. UPM Communication Papers business is valued at €1,100 million (enterprise value). Sappi's European business is valued at €320 million (enterprise value).
- As consideration for its assets contributed to the planned Joint Venture, at closing UPM will receive cash proceeds of €475 million, a receivable for a shareholder loan on preferential terms valued at €88 million, a receivable for an additional shareholder loan valued at €10 million and 50% of the equity of the Joint Venture equal to a book value of €167 million. As part of the transferring business perimeter, €411 million of net pension and other liabilities based on year-end 2025 balance sheet will transfer to the Joint Venture.
- Sappi will receive cash proceeds of €90 million, a receivable of a shareholder loan valued at €10 million and 50% of the equity of the Joint Venture equal to a book value of €167 million.

The purchase prices, cash proceeds and financial impact of the transaction are estimates at the time of the definitive agreement, and subject to customary purchase price adjustments.

The Joint Venture will first repay its shareholder loans to its two shareholders and thereafter distribute dividends according to its financial performance and standing. The parties have agreed that UPM has an option to sell to Sappi half of any outstanding preferential terms shareholder loan two years after closing.

The establishment of the Joint Venture would create a sustainable standalone business that ultimately will provide divestment flexibility for both shareholders. Three years after closing, with the Joint Venture expected to have completed the integration and realized the synergies, either shareholder may initiate a divestment of their shareholdings.

Securing long-term resilience and sustainability
The transaction would create a more efficient, adaptable and sustainable graphic paper business. It would create a structurally competitive cost base and supply security for the European and global customers.

By strategic reallocation of production volumes to the most efficient paper machines, the Joint Venture would achieve more sustainable capacity utilization and stronger operational performance, while continuing to serve customers with a broad portfolio of graphic paper products.

Overall, the Joint Venture would rationalize supply in an industry burdened by declining demand, structural overcapacity and high energy costs. It would contribute to a more balanced and resilient European market, and make the industry better positioned to withstand market challenges and increasing imports to Europe.

UPM Communication Papers has already today an ambitious climate action roadmap to reduce product emissions by up to 70% by 2030, supporting customers in achieving their climate targets. The Joint Venture would further enhance these opportunities. By optimizing capacity utilization, enhancing operational efficiencies and continuing to invest in decarbonization, the Joint Venture could reduce its overall climate impact, helping to advance the EU's Clean Industrial Deal objectives.

Impact of the transaction on UPM financials
The financial benefit for UPM at closing will consist of the €475 million cash payment to UPM by the Joint Venture, the €98 million shareholder loan receivable and UPM's share (50%) of the Joint Venture. In addition, €411 million of net pension and other liabilities will transfer to the Joint Venture as part of the transferring business perimeter.

The ownership in the Joint Venture will be accounted for using the equity method, below operating profit.

The transaction is expected to have a positive impact on UPM's profitability margins (EBIT % of sales), balance sheet and leverage. UPM would also achieve a more focused business portfolio operating on growth markets and would no longer have direct sales exposure to the declining European and North American graphic paper markets.

Transaction subject to merger control and other conditions
The transaction requires among other conditions approval by Sappi Limited's shareholders and is also subject to merger control approval by the European Commission and authorities in other jurisdictions such as the US and China, with final resolutions expected by the end of 2026. The Joint Venture would become operational upon closing. As announced on April 28, 2026, the review of the Joint Venture proceeded to Phase II of EU merger control. UPM continues to engage openly and constructively with the European Commission during the second part of the process.

The Plywood business demerger into a new listed company

On April 29, 2026, the Board of Directors approved a demerger plan concerning a partial demerger of UPM. According to the demerger plan, UPM will demerge so that all assets and liabilities of UPM relating to the UPM Plywood business area, or mainly serving the UPM Plywood business area, are transferred to WISA Group Plc ("WISA Group"), a company to be established in the demerger (the "Demerger"). The Demerger is subject to approval by UPM's Extraordinary General Meeting to be held on August 31, 2026. The planned completion date of the Demerger is October 31, 2026. A demerger and listing prospectus was published on July 16, 2026.

UPM intends to apply for admitting the shares of WISA Group for trading on the official list of Nasdaq Helsinki Ltd ("Nasdaq Helsinki"). Upon the completion of the Demerger, WISA Group would initially have the same shareholder structure as UPM.

Strategic rationale of the Demerger
According to the assessment of the Board of Directors of UPM, the separation of the Plywood business area into a new publicly listed company would increase shareholder value by creating an integrated platform focused solely on pursuing the strategic priorities and growth opportunities of the Plywood business area. The separation will also simplify governance and decision-making structures, foster more direct accountability, and enhance UPM's focus on its core businesses. It will also provide increased visibility to investors into key value drivers specific to the Plywood business area, which can facilitate the fair valuation of the business and provide more flexibility for accessing external capital. The separation further allows the Plywood business area to attract new investors who are interested in investing directly in an independent company focused on high value-added end-use segments, including construction, LNG shipbuilding and vehicle flooring solutions. This also benefits the value creation for UPM's current shareholders.

Overview of the Demerger
The Demerger would be executed as a partial demerger, as set out in the Finnish Companies Act (624/2006, as amended, the "Finnish Companies Act"). The shareholders of UPM will receive as demerger consideration one new share in WISA Group for each share they hold in UPM (the "Demerger Consideration"), that is, the Demerger Consideration will be issued to the shareholders of UPM in proportion to their existing shareholdings with a ratio of 1:1. No action will be required from UPM shareholders to receive the Demerger Consideration. UPM's shareholders will retain their shareholdings in UPM.

Completion of the Demerger is subject to, among other things, approval by UPM's shareholders in an Extraordinary General Meeting (the "EGM"). The EGM, which resolves on the Demerger and other proposals in relation thereto, will be held on August 31, 2026.

The planned completion date of the Demerger pursuant to the demerger plan is October 31, 2026. Trading in the shares of WISA Group on Nasdaq Helsinki is currently expected to commence on or about November 2, 2026, or as soon as possible thereafter. UPM presents the UPM Plywood business area as discontinued operations in its financial reporting in accordance with the IFRS 5 standard starting from the second quarter of 2026.

The Board of Directors of UPM may, at any time prior to the completion of the Demerger (also after the EGM resolving on the Demerger), resolve not to complete the Demerger if the Board of Directors of UPM concludes that the completion of the Demerger is no longer in the best interest of UPM and its shareholders due to a change in circumstances that has occurred or arisen after this demerger plan has been signed. In such case, the Demerger will lapse.

Biochemicals refinery investment

In January 2020, UPM announced that it would invest in a 220,000 tonne next-generation biochemicals refinery in Leuna, Germany. The investment estimate is €1,370 million.

The start-up of the Leuna biorefinery is progressing. The wood-to-lignin-and-sugar process was successfully ramped up and the first commercial deliveries of industrial sugars took place in Q4 2025, and have reached substantial volumes. Deliveries of renewable functional fillers and other lignin derivatives are expected to start during Q3.

Commercial interest in the main products and side-streams has continued strong, with confirmed customer contracts and a sales and customer qualification pipeline that exceeds multiple times the annual capacity. The biorefinery is expected to reach full production and positive EBIT during 2027.

The biorefinery will produce a range of 100% wood-based biochemicals, which will enable a switch from fossil raw materials to sustainable alternatives in various end-uses. The valuation of the products is driven by their sustainability performance which enables consumer brands to achieve market differentiation and by their superior technical performance. The investment opens new markets for UPM, with large growth potential for the future.

The industrial scale biorefinery will convert solid wood into next generation biochemicals: bio-monoethylene glycol (BioMEG) and Renewable Functional Fillers (RFF). In addition, the biorefinery will produce bio-monopropylene glycol (BioMPG) and industrial sugars. The ROCE target for the UPM Biochemicals business is 14%.

The combination of a sustainable wood supply, a unique technology concept, integration into existing infrastructure at Leuna and the proximity to customers will ensure the competitiveness of operations. The safety and sustainability of the value chain will meet UPM's high standards and the strong focus on regional sourcing, especially of feedstock supports the market valuation.

InfraLeuna GmbH, in the state of Saxony-Anhalt, offers very competitive conditions for constructing a biorefinery with its logistics arrangements and infrastructure for various services and utilities.

Biofuels business development

Renewable fuels and renewable chemicals are the central elements of UPM's long-term growth in decarbonization solutions. UPM is focusing on three targeted growth areas in its biofuels business:

- Evaluating the potential to debottleneck the Lappeenranta biorefinery in order to capture low CAPEX expansion opportunities and further leverage the strong market performance of CTO-derived biofuels.
- Enabling the qualification of CTO-derived UPM biofuels as sustainable aviation fuel (SAF). This strategic direction is supported by successful SAF trials conducted with the Austrian aircraft manufacturer Diamond Aircraft using Austro Engine propulsion and by continued progress in the technical acceptance process at the American Society for Testing and Materials (ASTM). Results from these trials and stakeholder reviews have been consistently positive.
- Continuing feedstock technology development to qualify and enable the use of additional competitive and sustainable biomass. This will support the cost-efficient production of high-quality biofuels for both road and aviation applications.

Change in the composition of reportable segments

The Group has changed its reportable segments composition by moving UPM Forest business into UPM Fibres business area as of January 1, 2026. The vast majority of wood used by UPM in Finland is consumed within the UPM Fibres business, and the Finnish forests are therefore considered an integral operational and strategic part of UPM Fibres North operations. In addition, the change improves consistency with UPM Fibres operations in Uruguay, where forest assets have already been reported as part of the UPM Fibres South operations. Until the end of 2025, UPM Forest was included in Other operations.

UPM Biorefining, consisting of UPM Biochemicals and UPM Biofuels and reported as part of Other operations, was renamed UPM Next Generation Renewables as of January 1, 2026.

Following these changes, Other Operations includes UPM Next Generation Renewables, wood sourcing, Group services and Technology and forest assets in the U.S.

The change impacts KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods are restated according to the new reporting principles. The reporting change has had no impact on Group financial result or balance sheet. Refer to ***Financial Statement information Note 9 Change in the composition of reportable segments*** in Financial statement information.

Events during the reporting period

On January 12, 2026, UPM received leadership scores in CDP 2025 assessment for climate change, forests and water security, reaffirming UPM's leading position in sustainability.

On February 4, 2026, UPM announced plans for the period 2026–2028 within the company's two long-term share incentive arrangements.

On March 5, 2026, UPM Energy announced an investment of over €20 million in the extensive modernization of the Tyrvää hydropower plant.

On March 30, 2026, UPM Adhesive Materials announced an expansion of its footprint in India with a new slitting and distribution terminal near New Delhi.

On April 9, 2026, UPM-Kymmene Corporation's held its Annual General Meeting. Decisions of the AGM are presented elsewhere in this report.

On April 28, 2026, the EU Commission announced the opening of a Phase II investigation into the planned graphic paper Joint Venture.

On April 29, 2026, the Board of Directors of UPM approved a demerger plan concerning the separation of the Plywood business into a new listed company.

On May 4, 2026, UPM announced that it has been included as the only company in its sector in the Dow Jones World and European Sustainability Indices (DJSI) for 2025–2026.

On May 28, 2026, UPM and Sappi signed a definitive agreement on the graphic paper Joint Venture.

On June 18, 2026, UPM announced the temporary shutdown of the UPM Kaukas pulp mill as of August 3, 2026, for approx. six weeks, and a potential temporary shutdown of the UPM Pietarsaari pulp mill in October.

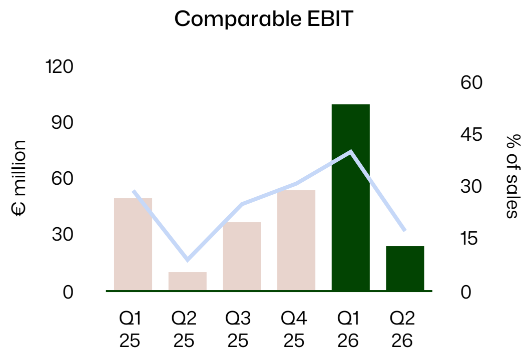
Events after the balance sheet date

On July 2, 2026, EcoVadis, a leading provider of corporate sustainability ratings, awarded UPM Platinum recognition, the highest possible rating held by only the top one percent of rated companies.

On July 16, 2026, UPM issued a notice to an Extraordinary General Meeting. The Board of Directors of UPM has resolved to convene an Extraordinary General Meeting to decide on the partial demerger of UPM. The stock exchange release regarding the partial demerger and the demerger plan were published on April 29, 2026. According to the demerger plan, UPM will demerge so that all assets and liabilities of UPM relating to the UPM Plywood business area, or predominantly serving the UPM Plywood business area, are transferred to WISA Group Plc, a company to be established in the demerger. The Extraordinary General Meeting will be held on August 31, 2026. The Finnish Financial Supervisory authority has, on July 16, 2026, approved the demerger- and listing prospectus relating to the partial demerger, which is available at company's website.

UPM Energy

UPM Energy generates cost competitive, zero-carbon electricity. Operations also include physical electricity and financial portfolio management as well as services to industrial electricity consumers. UPM Energy is the second largest electricity producer in Finland. UPM's power generation capacity consists of hydropower, nuclear power and thermal power.



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	141	252	176	149	118	173	392	291	615
Comparable EBITDA, € million	26	102	56	39	12	51	128	63	158
% of sales	18.2	40.5	31.8	25.9	10.2	29.6	32.5	21.7	25.6
Depreciation, amortization and impairment charges, € million	-2	-2	-2	-2	-2	-2	-3	-3	-7
Operating profit, € million	24	100	54	37	10	49	124	60	151
% of sales	17.0	39.8	30.7	24.7	8.7	28.7	31.7	20.6	24.5
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	–	–	–	–	–	–	–	–	–
Comparable EBIT, € million	24	100	54	37	10	49	124	60	151
% of sales	17.0	39.8	30.7	24.7	8.7	28.7	31.7	20.6	24.5
Capital employed (average), € million	2,532	2,416	2,647	2,698	2,555	2,514	2,474	2,534	2,603
Comparable ROCE, %	3.8	16.6	8.2	5.5	1.6	7.9	10.0	4.7	5.8
Electricity deliveries, GWh	2,628	3,140	3,161	2,829	2,409	2,743	5,768	5,152	11,141

- Hydropower production in Q2 was lower than normal due to dry conditions
- Scheduled maintenance shutdowns in OL1 and OL2 nuclear power plant units, OL3 scheduled maintenance is during H2 2026

Results

Q2 2026 compared with Q2 2025

The comparable EBIT for UPM Energy increased due to higher sales prices and higher nuclear volumes.

UPM's average electricity sales price increased by 12% to €48.5/MWh (€43.4/MWh).

Q2 2026 compared with Q1 2026

The comparable EBIT decreased due to significantly lower sales prices.

UPM's average electricity sales price decreased by 35% to €48.5/MWh (€74.1/MWh).

January–June 2026 compared with January–June 2025

The comparable EBIT increased significantly, supported by higher prices and higher nuclear power production volumes.

UPM's average electricity sales price increased by 24% to €62.4/MWh (€50.5/MWh).

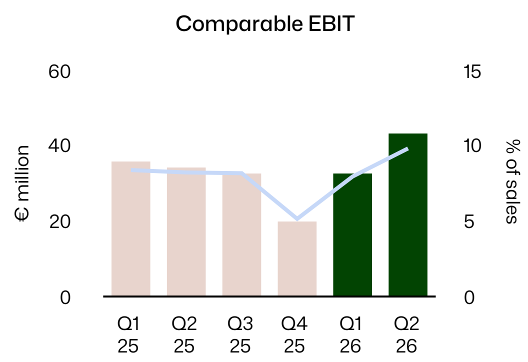
Market environment

- Nordic hydrological balance was well below the long-term average at the end of June. In Finland, the hydrological balance was close to the long-term average.
- The CO_2 emissions daily future price of €79.1/tonne at the end of Q2 2026, was higher than at the end of Q1 2026 (€71.0/tonne) and at the end of Q2 2025 (€68.2/tonne).
- The average Finnish area spot price on the Nordic electricity exchange in Q2 2026 was €49.3/MWh, 47% lower than in Q1 2026 (€92.7/MWh) and 76% higher than in Q2 2025 (€28.1/MWh).
- The front-year forward electricity price for the Finnish area closed at €48.5/MWh in June, 2% higher than at the end of Q1 2026 (€47.4/MWh).

Sources: The Norwegian Water Resources and Energy Directorate, Svensk Energi, Finnish Environment Institute, Nord Pool, Euronext, ICE, UPM

UPM Adhesive Materials

UPM Adhesive Materials offers high-quality self-adhesive paper and film products including label materials, graphics solutions and removable self-adhesive products. UPM Adhesive Materials is the second-largest producer of self-adhesive label materials worldwide.



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	448	414	391	405	425	434	861	859	1,655
Comparable EBITDA, € million	56	45	33	46	49	49	101	98	176
% of sales	12.5	10.9	8.4	11.2	11.5	11.3	11.8	11.4	10.7
Depreciation, amortization and impairment charges, € million	-12	-13	-22	-13	-14	-13	-25	-27	-61
Operating profit, € million	41	25	-6	4	28	27	67	55	53
% of sales	9.3	6.1	-1.6	1.1	6.5	6.3	7.8	6.4	3.2
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-2	-7	-26	-28	-7	-9	-10	-16	-70
Comparable EBIT, € million	44	33	20	33	35	36	76	71	124
% of sales	9.8	7.9	5.1	8.1	8.2	8.3	8.9	8.2	7.5
Capital employed (average), € million	867	842	864	891	900	787	855	844	860
Comparable ROCE, %	20.1	15.5	9.2	14.8	15.4	18.4	17.9	16.8	14.4

- Launch of UPM QuickStick™ receipt materials, designed to help quick-service restaurants improve order accuracy and speed of service
- Production capacity investments continued in Mills River, North Carolina, U.S., and in Johor Bahru, Malaysia. Investment started to open a new slitting and distribution terminal near New Delhi, India

Results

Q2 2026 compared with Q2 2025
The comparable EBIT for UPM Adhesive Materials increased driven by higher deliveries.

Q2 2026 compared with Q1 2026
The comparable EBIT increased due to higher deliveries and higher sales prices, partially offset by increased variable costs.

January–June 2026 compared with January–June 2025
The comparable EBIT increased due to higher volumes, especially in EMEIA, and lower variable costs.

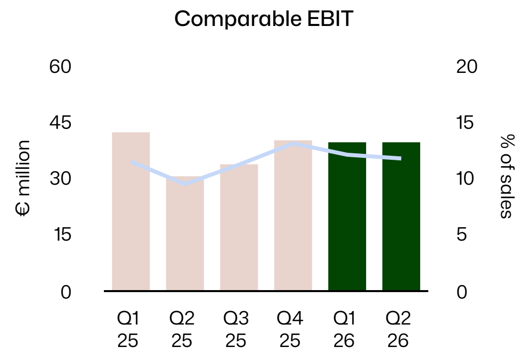
Market environment

- In Q2 2026, markets for self-adhesive label materials were good in Europe and solid in the Asia-Pacific (APAC) region. The North American markets were weak.

Sources: UPM, FINAT, TLMI

UPM Specialty Materials

UPM Specialty Materials offers labelling and packaging materials as well as office and graphic papers for labelling, commercial siliconizing, packaging, office use and printing. The production plants are located in China, Finland and Germany.



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	341	332	309	304	328	374	673	702	1,315
Comparable EBITDA, € million	51	52	53	45	48	59	103	107	204
% of sales	14.9	15.6	17.1	14.8	14.6	15.7	15.2	15.2	15.5
Depreciation, amortization and impairment charges, € million	-11	-12	-13	-11	-17	-16	-23	-33	-57
Operating profit, € million	40	43	38	34	30	43	83	72	144
% of sales	11.7	12.9	12.4	11.2	9.1	11.4	12.3	10.3	11.0
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	0	3	-2	0	-1	–	3	-1	-3
Comparable EBIT, € million	40	40	40	34	31	43	80	73	147
% of sales	11.7	12.0	13.0	11.1	9.4	11.4	11.8	10.5	11.2
Capital employed (average), € million	676	670	686	693	705	739	673	722	706
Comparable ROCE, %	23.5	23.8	23.4	19.5	17.5	23.1	23.7	20.3	20.9
Paper deliveries, 1000 t	367	367	354	333	343	368	734	710	1,398

- UPM Specialty Materials, Michelman and BOBST introduced a bio-based paper packaging concept aligned with EU packaging regulation
- The PM8 at UPM Tervasaari in Finland, the world's first purpose-built label base paper machine, reached 30 years of production

Results

Q2 2026 compared with Q2 2025

The comparable EBIT for UPM Specialty Materials increased. The positive impact from increased volumes and lower variable costs was greater than the negative impact of lower sales prices and higher fixed costs.

Q2 2026 compared with Q1 2026

The comparable EBIT remained at the same level. Positive impact from increased volumes and sales prices were offset by increased costs.

January–June 2026 compared with January–June 2025

The comparable EBIT increased mainly due to lower depreciation. The decline in variable costs and the increase in volumes broadly offset the impact of lower prices.

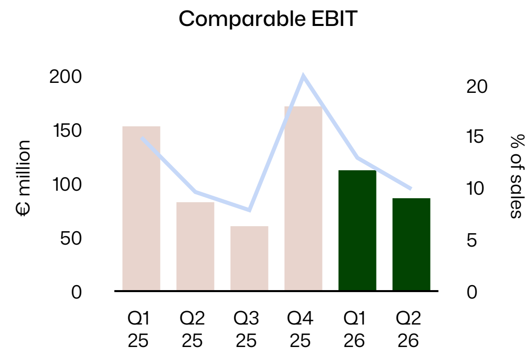
Market environment

- In Q2 2026, markets for label and release base papers in Europe were good, supported by some stocking by customers. The U.S. markets were softer.
- In Q2 2026, market demand for specialty papers in Asia was good. Fine paper markets continued to be highly competitive.

Sources: UPM, RISI, AFRY, AWA

UPM Fibres

UPM Fibres consists of pulp and timber businesses. UPM Pulp offers a versatile range of responsibly-produced pulp grades suitable for a wide range of end-uses. UPM Timber offers certified sawn timber. UPM has two pulp mills and plantation operations in Uruguay (Fibres South) as well as three pulp mills, three sawmills and forest operations in Finland (Fibres North).



UPM Fibres [1]	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	885	876	825	797	870	1,039	1,761	1,909	3,531
Comparable EBITDA, € million	181	178	140	105	149	227	359	376	621
% of sales	20.4	20.3	17.0	13.1	17.2	21.8	20.4	19.7	17.6
Change in fair value of forest assets and wood harvested, € million	-24	5	103	28	6	6	-19	12	144
Share of results of associated companies and joint ventures, € million	1	1	0	1	1	1	1	1	2
Depreciation, amortization and impairment charges, € million	-70	-70	-72	-72	-73	-79	-141	-152	-295
Operating profit, € million	86	113	172	62	83	155	199	237	472
% of sales	9.7	12.9	20.9	7.8	9.5	14.9	11.3	12.4	13.4
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-1	–	0	–	0	–	-1	0	0
Comparable EBIT, € million	87	113	172	62	83	155	200	238	472
% of sales	9.9	12.9	20.9	7.8	9.6	14.9	11.4	12.5	13.4
Capital employed (average), € million	8,242	8,254	8,294	8,349	8,482	9,099	8,248	8,791	8,556
Comparable ROCE, %	4.2	5.5	8.3	3.0	3.9	6.8	4.9	5.4	5.5
Pulp deliveries, 1000 t	1,320	1,413	1,276	1,262	1,192	1,433	2,732	2,625	5,163

[1] 2025 reporting is restated according to the change in the composition of UPM Fibres reporting segment and Other operations *Financial Statements information Note 9 Change in the composition of reportable segments*
Pulp mill maintenance shutdowns: Q2 2026 UPM Pietarsaari, Q4 2025 UPM Fray Bentos, Q3 2025 UPM Kaukas, Q2 2025 UPM Paso de los Toros and UPM Kymi.

Additional information on geographic areas [1]

Fibres South	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	419	411	370	367	374	435	831	809	1,545
Comparable EBITDA, € million	168	138	100	111	95	145	306	240	451
% of sales	40.1	33.4	27.0	30.3	25.4	33.4	36.8	29.7	29.2
Comparable EBIT, € million	101	85	78	80	50	86	187	136	294
% of sales	24.2	20.8	21.1	21.9	13.3	19.8	22.5	16.8	19.1
Capital employed (average), € million	5,520	5,460	5,578	5,592	5,718	6,244	5,490	5,981	5,783
Comparable ROCE, %	7.4	6.3	5.6	5.7	3.5	5.5	6.8	4.5	5.1
Pulp deliveries, 1000 t	769	824	767	782	723	786	1,593	1,508	3,058

Fibres North	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	458	457	447	423	488	591	915	1,079	1,949
Comparable EBITDA, € million	17	47	43	-5	56	88	64	145	183
% of sales	3.7	10.4	9.6	-1.1	11.6	15.0	7.0	13.4	9.4
Comparable EBIT, € million	-10	34	99	-15	37	76	24	113	197
% of sales	-2.2	7.4	22.1	-3.5	7.6	12.9	2.6	10.5	10.1
Capital employed (average), € million	2,711	2,775	2,688	2,759	2,757	2,856	2,743	2,806	2,765
Comparable ROCE, %	-1.5	4.9	14.7	-2.1	5.4	10.7	1.7	8.1	7.1
Pulp deliveries, 1000 t	550	589	509	480	469	648	1,139	1,117	2,106

[1] Geographical information is excluding i.e. administration, development and other Fibres' operations.

- Scheduled maintenance shutdown at the UPM Pietarsaari mill in Finland
- A production curtailment at UPM Kaukas was announced as of August 3, 2026, and is expected to last approximately six weeks

Results

Q2 2026 compared with Q2 2025

The comparable EBIT for UPM Fibres increased slightly. Higher volumes and lower variable and fixed costs had a positive impact on earnings while changes in currencies had an adverse impact. The change in the fair value of net forest assets and wood harvested was €-24 million (6 million).

The average price in euro for UPM's pulp deliveries decreased by 3%.

Q2 2026 compared with Q1 2026

The comparable EBIT decreased. Earnings were supported by higher sales prices. Variable costs increased, impacted by higher oil prices, and they were held back by the maintenance shutdown of UPM Pietarsaari. The change in the fair value of net forest assets and wood harvested in Q2 was €-24 million (5 million).

The average price in euro for UPM's pulp deliveries increased by 8%.

January–June 2026 compared with January–June 2025

The comparable EBIT decreased due to lower sales prices and adverse changes in currencies. Volumes, as well as variable and fixed costs, developed favorably. The change in the fair value of net forest assets and wood harvested in H1 was € -19 million (12 million).

The average price in euro for UPM's pulp deliveries decreased by 10%.

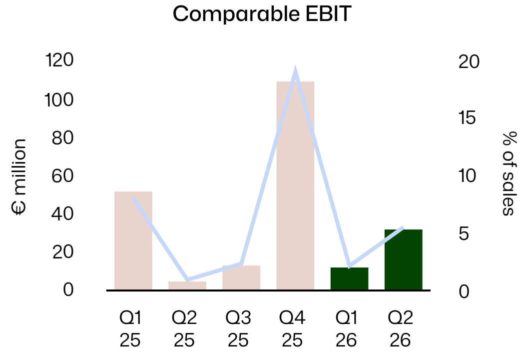
Market environment

- In Q2 2026, chemical pulp market prices continued to trend upward.
- In Europe, the average market price of northern bleached softwood kraft pulp (NBSK) in euros was 6% higher in Q2 than in Q1 2026 and the price of bleached hardwood kraft pulp (BHKP) 15% higher.
- In China, the average market price of northern bleached softwood kraft pulp (NBSK) in dollars increased by 4% in Q2 compared to Q1 2026 and the price of bleached hardwood kraft pulp (BHKP) decreased by 4%.
- In Q2 2026, demand for sawn timber remained relatively weak due to the slow recovery of the construction sector.

Sources: FOEX, UPM

UPM Communication Papers

UPM Communication Papers offers an extensive product range of sustainably produced graphic papers for advertising and publishing as well as home and office uses. The business has extensive low-cost operations consisting of 8 efficient paper mills in Europe and the United States, a global sales network and an efficient logistic system. The main customers are publishers, catalogers, retailers, printers and merchants.



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales € million	594	613	580	619	630	664	1,207	1,294	2,493
Comparable EBITDA,€ million	47	27	127	28	21	65	74	87	241
% of sales	7.9	4.4	21.8	4.6	3.4	9.8	6.1	6.7	9.7
Share of results of associated companies and joint ventures, € million	–	–	–	–	0	–	–	0	0
Depreciation, amortization and impairment charges, € million	-12	-17	-17	-49	-20	-23	-29	-42	-109
Operating profit, € million	35	6	183	-53	-2	-22	41	-24	107
% of sales	5.9	1.0	31.5	-8.5	-0.3	-3.3	3.4	-1.8	4.3
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	3	-7	73	-67	-7	-74	-4	-81	-75
Comparable EBIT, € million	32	13	110	14	5	52	45	58	181
% of sales	5.4	2.1	18.9	2.3	0.8	7.9	3.7	4.5	7.3
Capital employed (average), € million	881	898	937	991	1,033	1,109	890	1,071	1,018
Comparable ROCE, %	14.6	5.6	46.9	5.6	2.1	18.9	10.1	10.8	17.8
Paper deliveries, 1000 t	700	726	690	733	740	731	1,426	1,471	2,893

- Preparations for a graphic paper join venture with Sappi continued, a definitive agreement was signed in May and co-operation with the EU Commission continued in the Phase II investigation

Results

Q2 2026 compared with Q2 2025

The comparable EBIT for UPM Communication Papers increased due to slightly better unit margins. Fibre costs decreased, while delivery volumes and other variable costs developed unfavorably.

The average price in euros for UPM's paper deliveries was stable.

Q2 2026 compared with Q1 2026

The comparable EBIT increased due to slightly better unit margins.

The average price of UPM's paper deliveries in euros was at the same level as in the comparison period.

January–June 2026 compared with January–June 2025

The comparable EBIT decreased due to lower sales prices.

The average price in euros for UPM's paper deliveries decreased by 4%.

Market environment

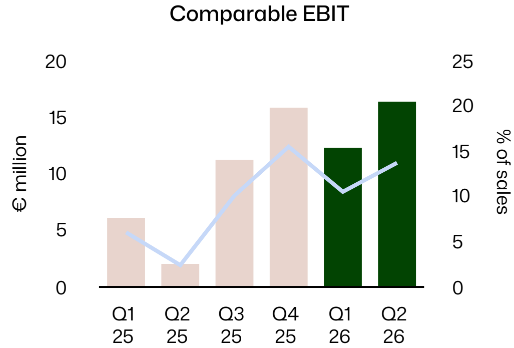
- In Q2 2026, demand for graphic papers in Europe was 3% lower than in Q2 2025. Demand declined by 3% for newsprint, while magazine papers declined by 5% and fine papers by 2%.
- In Q2 2026, publication paper prices in Europe were 2% lower compared to Q2 2025 and 2% higher compared to Q1 2026. Fine paper prices in Europe declined by 3% compared to Q2 2025 and increased by 2% compared to Q1 2026.
- In April-May 2026, demand for magazine and coated wood free papers in North America was flat compared to April-May 2025. In Q2 the average price in North America for magazine and coated wood free papers was 2% higher than in Q2 2025 and 1% higher than in Q1 2026.

Sources: PPI/RISI, Euro-Graph, PPPC

UPM Plywood

UPM Plywood offers high quality WISA® plywood and veneer products for construction, vehicle flooring, LNG shipbuilding, parquet manufacturing and other industrial applications.

As a result of the proposed demerger, UPM presents the UPM Plywood business area as discontinued operations in accordance with the IFRS 5 Non-current assets held for sale and discontinued operations starting from the second quarter of 2026. More information in *Financial statement information Note 10 assets and liabilities classified as held for distribution to owners and discontinued operations.*



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	121	119	104	113	89	103	240	192	409
Comparable EBITDA, € million	18	17	20	16	7	12	35	19	55
% of sales	15.0	14.5	19.5	14.2	8.3	11.4	14.8	10.0	13.6
Depreciation, amortization and impairment charges, € million	-2	-5	-4	-5	-5	-6	-7	-11	-20
Operating profit, € million	16	12	16	7	2	6	28	8	31
% of sales	13.4	10.0	15.3	6.4	2.1	5.9	11.7	4.2	7.6
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	0	-1	0	-4	0	–	-1	0	-4
Comparable EBIT, € million	16	12	16	11	2	6	29	8	35
% of sales	13.6	10.4	15.4	10.0	2.3	5.9	12.0	4.2	8.7
Capital employed (average), € million	235	240	228	223	226	244	238	235	230
Comparable ROCE, %	28.0	20.6	27.9	20.3	3.6	10.0	24.3	6.9	15.4
Plywood deliveries, 1000 m^3	138	131	112	128	99	120	269	218	458

- Good performance continued
- Demerger plan was announced in April, preparations proceeding according to plans

Results

Q2 2026 compared with Q2 2025
The comparable EBIT for UPM Plywood increased significantly as the comparative quarter of 2025 was impacted by strikes.

Q2 2026 compared with Q1 2026
The comparable EBIT increased. The positive impact of increased deliveries and better production efficiency outweighed the negative impact from sales mix.

January–June 2026 compared with January–June 2025
The comparable EBIT increased. The comparison period was affected by strikes from March to May of 2025.

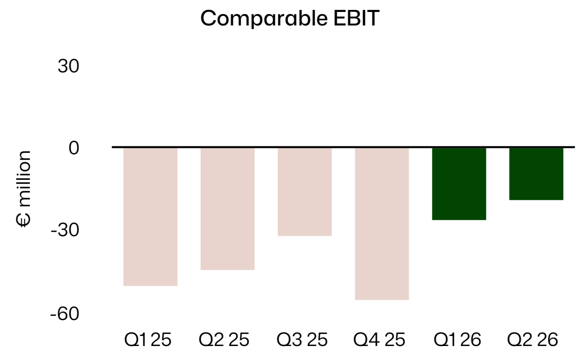
Market environment

- In Q2 2026, demand for spruce plywood in Europe was stable at a low level as the construction sector remained weak.
- In Q2 2026, demand for birch plywood in panel trading and industrial end uses continued to be good. Demand for parquet veneers improved slightly year-over-year.
- In Q2 2026, demand for LNG end-use birch plywood continued at a very good level.

Source: UPM

Other operations

Other Operations includes UPM Biofuels and UPM Biochemicals business units as well as biofuels development and Group services. UPM Biofuels produces wood-based renewable diesel for all diesel engines and renewable naphtha that can be used as a biocomponent for gasoline or for replacing fossil raw materials in petrochemical industry. UPM Biochemicals offers wood-based renewable biochemicals to replace fossil-based raw materials in various applications such as packaging, PET bottles, cosmetics, pharmaceuticals, textiles, detergents, rubbers and resins. UPM operates one biofuels refinery in Finland and one biochemicals refinery in Germany.



	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	208	185	187	149	192	166	393	358	693
Comparable EBITDA, € million	-7	-15	-44	-21	-33	-37	-21	-70	-136
Share of results of associated companies and joint ventures, € million	1	0	-2	0	0	0	0	0	-2
Depreciation, amortization and impairment charges, € million	-16	-12	-10	-10	-11	-14	-27	-25	-44
Operating profit, € million	-29	-35	-64	-31	-47	-54	-64	-102	-197
Items affecting comparability in operating profit, € million (Financial statements information Note 2)	-11	-9	-9	0	-3	-5	-19	-8	-17
Comparable EBIT, € million	-19	-26	-55	-31	-44	-50	-45	-94	-180
Capital employed (average), € million	1,458	1,405	1,358	1,315	1,334	1,198	1,432	1,266	1,301
Comparable ROCE, %	-5.1	-7.5	-16.2	-9.6	-13.2	-16.6	-6.3	-14.8	-13.8

* 2025 reporting is restated according to the change in the composition of UPM Fibres reporting segment and Other operations *Financial Statement information Note 9 Change in the composition of reportable segments*

- UPM Biofuels delivered strong performance in the quarter, supported by favorable price levels, partly driven by recent regulatory developments, particularly in Germany
- Customer deliveries of industrial sugars at the Leuna biorefinery reached substantial volumes

Results

Q2 2026 compared with Q2 2025

The comparable EBIT for Other operations increased. The sales price of biofuels was significantly higher while the cost of feedstock was lower. The production ramp-up of the Leuna refinery increased costs.

Q2 2026 compared with Q1 2026

The comparable EBIT increased. Biofuels deliveries increased and sales prices were higher, supported by high GHG reduction of our products and RED III implementation in key EU markets.

January–June 2026 compared with January–June 2025

The comparable EBIT increased significantly due to the markedly improved performance of UPM Biofuels. The production ramp-up of the Leuna refinery increased costs.

Market environment

- In Q2 2026, demand and prices for advanced renewable fuels in the European markets continued to be good while volatility in the fossil fuel markets continued.
- Uncertainty around RED III implementation in Germany pressured HVO prices in early 2026, but subsequent regulatory clarity strengthened the market sentiment and supported prices, especially in categories with highest feedstock sustainability and GHG reduction potential.

Source: UPM

Risks and near-term uncertainties

The main uncertainties in UPM's earnings relate to the sales prices and customer demand of the Group's products, as well as changes to the main input cost items and currency exchange rates. Most of these items depend on general economic developments.

In 2026, tensions and uncertainties related to geopolitics and trade relations continue.

Currently significant uncertainty in the global business environment relates to the conflict in the Middle East between the U.S., Israel and Iran. Significant part of global supply of oil, LNG and many other commodities has been disrupted, which has increased their global market prices. It is uncertain how long the conflict will last, what the outcome will be, and how long will it take for the global business environment to normalize.

Higher fossil fuel prices may have an increasing impact on UPM's energy costs, logistics costs and many raw material costs.

Uncertainty has increased related to global logistics and supply chains. This may increase logistics costs, but it may also disrupt trade flows and supply chains and possibly impact the supply-demand dynamics of various globally traded products and commodities in different markets. Bottlenecks in global logistics could impact the delivery of UPM's products, the sourcing of raw materials for UPM's businesses and the delivery of equipment for UPM's investments projects.

On the global macro level, the situation may lead to decreased economic growth, increased inflation and potentially higher interest rates. This may indirectly impact demand for UPM products.

On the mitigating side, UPM's business portfolio includes an energy business, a biofuels business and a new biochemicals business, all of which provide alternatives for fossil energy and fossil-based materials. In other businesses UPM has production units in different geographic locations, which may provide opportunities to optimize operations.

Russia's war in Ukraine continues, and political ambitions by the U.S. continue to cause uncertainty in the operating environment, which may impact economic growth, inflation and trade. The potential escalation in global geopolitical and trade tensions and the resulting impacts on the global economy may all affect UPM's operations and the supply chain, demand, supply and pricing of UPM's products, inputs or resources, or the progress of UPM's large investment projects.

There continues to be uncertainty related to the trade tensions between major economies, particularly to the tariffs introduced by the U.S. on imports from nearly all countries in the world, and the potential countermeasures introduced by the other countries.

It is possible that widely applied tariffs could have indirect impacts on UPM, for example impacting demand and supply of various products or raw materials, or redirect trade flows between countries and regions, which could impact deliveries and pricing of UPM's products or cost of raw materials on markets relevant to UPM. For example, in Q2 2025 the tariffs between the U.S. and China were momentarily very high. This uncertainty indirectly impacted even trading of goods in China from third countries and not under tariffs, such as pulp. Lower pulp buying, even if temporary, negatively impacted pulp prices.

A part of UPM's business is directly impacted by the U.S tariffs. In 2025, approximately 13 % of UPM's sales had the U.S. as destination. Approximately 46 % of UPM sales to the U.S. market was produced locally within the U.S. and approximately 54 % was imported, mainly from the EU. The imports consisted mainly of communication papers, specialty papers, and eucalyptus pulp. Part of the raw materials used by UPM in the U.S. were also imported and may be subject to tariffs. It is estimated that the U.S. market demand exceeds local production for many of the products that UPM exports to the U.S. However, even in such cases, tariffs could affect demand of such products. For example, demand for imported communication papers in the U.S. could be negatively impacted by tariffs.

The halting of wood imports from Russia, combined with investments by competitors have impacted the wood markets in the Baltic Rim. It is possible that wood raw material costs in Finland could stay elevated even if product markets were slow to recover.

Fluctuations in monetary and fiscal policies and economic conditions can significantly impact the value of various currencies, which in turn may affect UPM. Additionally, the escalation of global trade tensions, or political pressure on key central banks could influence currency exchange rates. These currency changes could impact UPM's cash flow, earnings, or balance sheet, and may also affect the relative competitiveness between different currency regions.

UPM's business operations depend on the availability of supporting information systems and network services. Unplanned interruptions in critical information system services can cause disruptions to the continuity of operations. The information systems may be exposed to a cyber-intrusion that could cause leaks of sensitive information, violation of data privacy regulations, theft of intellectual property, AI-generated misinformation or disinformation, production outages or damage to reputation.

In Germany, UPM is in the commissioning and start-up of the next-generation biochemicals refinery in Leuna. The commissioning and start up has made good progress, and there is a good pipeline of commercial interest for the products. Due to the pioneering nature of the project, there are uncertainties how quickly or whether the project will reach the targeted returns. The project is subject to the risks related to product development, innovation, IPR and large investment projects discussed in the Annual Report 2025, on pages 130-132.

In Finland, UPM indirectly owns approximately 31% of the new nuclear power plant unit, Olkiluoto 3 EPR (OL3), through its shareholdings in Pohjolan Voima Oyj. Pohjolan Voima Oyj is a majority shareholder of Teollisuuden Voima Oyj (TVO), holding 58.5% of its shares.

TVO supplies electricity to its shareholders on a cost-price principle (Mankala principle), which is widely applied in the Finnish energy industry. Under the Mankala principle electricity and/or heat is supplied to shareholders in proportion to ownership, and each shareholder is, pursuant to the specific stipulations of the respective articles of association, responsible for its respective share of the production costs of the energy company concerned.

TVO procured OL3 as a fixed-price turnkey project from a consortium (Plant Supplier) formed by Areva GmbH, Areva NP SAS and Siemens AG. As stipulated in the Plant Contract, the consortium companies have joint and several liability for the contractual obligations.

TVO has announced that even though there have been few interruptions to electricity generation at OL3 following the conclusion of the test operation program, there are uncertainties related to the availability of OL3 during the first operating cycles due to the possibility of unexpected events. These uncertainties are managed by means of systematic maintenance and monitoring of the plant unit.

According to TVO, if OL3 fails to achieve the planned load factor or operating cost structure, the Finnish national grid limits its power level, or the costs incurred by TVO due to grid load limitation make it unprofitable to operate at full power, there is a risk of production costs exceeding TVO's target.

The Group's cost structure is presented on page 276 of the UPM Annual Report 2025. Risks and opportunities are discussed on pages 31–33, risks and risk management are presented on pages 128–132, and material sustainability risks and opportunities are presented on pages 148-152, 158, 189, 209, 223 and 230 as part of the UPM Sustainability Statement. Financial risk management, including foreign exchange and interest rate risks, is discussed on pages 313-318. Shareholdings in Pohjolan Voima Oyj are discussed on page 129 of the UPM Annual Report 2025.

Sustainability

In April, UPM was included as the only company in its sector in the Dow Jones World and European Sustainability Indices (DJSI) for 2025–2026, placing it among the world's most rigorously assessed sustainability leaders for several years in a row.

In May, UPM received an A score in CDP's 2025 Supplier Engagement Assessment (SEA), which evaluates how companies engage their supply chains on climate-related issues. According to CDP, companies that actively involve their suppliers in climate change mitigation play a crucial role in the green transition.

UPM Adhesive Materials strengthened its sustainability driven offering with the introduction of the UPM ProCycle™ portfolio of recycling compatible label solutions. Combining advanced adhesive technologies and circular products, the portfolio helps converters and brand owners select labeling solutions that support recyclability performance in beverage, food, and home and personal care packaging.

UPM Adhesive Materials also launched UPM QuickStick™ receipt materials for quick-service restaurants (QSRs), enabling efficient and reliable labeling across various food packaging surfaces such as paper wraps, cardboard boxes, coated packaging and plastic containers. Selected products in the portfolio are certified CarbonNeutral® by Climate Impact Partners in accordance with the CarbonNeutral Protocol.

UPM Specialty Materials advanced its PPWR aligned (EU Packaging and Packaging Waste Regulation) innovation pipeline through collaboration driven developments in fibre-based barrier packaging. UPM Specialty Materials and Felix Schoeller developed a customizable, recyclable barrier solution for flexible food packaging applications such as chocolate and snack bars. UPM Specialty Materials and BASF have developed recyclable packaging concepts that combine barrier papers with advanced coating technologies. Designed to meet growing demand for recyclable materials, these fibre based solutions further support the packaging industry's transition toward compliance with upcoming PPWR recyclability requirements.

In June, EcoVadis, a leading provider of corporate sustainability ratings, once again awarded UPM its highest possible Platinum Medal. Among more than 150,000 companies assessed, only the top one percent achieved Platinum status. UPM has been in the top one percent since 2020 and earned an outstanding score of 90/100 for the second consecutive year. The EcoVadis assessment evaluates performance across four categories: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

Also in June, UPM signed a long-term partnership agreement with UNICEF Finland. UPM's contribution is directed at UNICEF's Global Education Fund, supporting access to quality learning opportunities for children and young people. The partnership aligns with UPM's Share and Care Program focus areas of youth, education and climate and biodiversity.

Two UPM businesses published their 2025 climate reports in June, showing strong progress in their climate actions. UPM Communication Papers managed to decrease fossil CO_2 emissions from own operations and purchased energy (Scopes 1 and 2) by 38% per tonne of paper in Europe in 2025 compared to the 2023 baseline year. In 2025, UPM Adhesive Materials achieved a 58% reduction in Scope 1 and 2 emission intensity compared to its 2015 baseline. This outcome is the result of targeted, site-specific actions aimed at improving energy efficiency and reducing the use of fossil fuels.

ESG ratings and recognitions	
CDP	Climate A; Forest A-; Water A- (A is the highest)
DJSI Indices	World and Europe (only constituent)
Ecovadis	Platinum (highest level)
ISS ESG Quality	Governance 1 ; Environment 1; Social 1 (1 best)
ISS ESG Rating	B (A+ best)
MSCI	AAA (highest level)

Shares

In January–June 2026, UPM shares worth a total of € 3,737 million (4,087) were traded on the Nasdaq Helsinki stock exchange. This is estimated to represent approximately 70% of the total trading volume in UPM shares. The highest listing was €27.94 in February and the lowest was €22.98 in June.

The Annual General Meeting held on April 9, 2026, authorized the Board of Directors to resolve on the repurchase of a maximum of 50,000,000 of the Company's own shares. The authorization will be valid for 18 months from the date of the AGM's resolution.

The Annual General Meeting authorized the Board of Directors to resolve on the issuance of new shares, transfer of treasury shares and issuance of special rights entitling to shares in proportion to the shareholders' existing holdings in the Company, or in a directed share issue, deviating from the shareholder's pre-emptive subscription right. The Board of Directors may also resolve on a share issue without payment to the Company itself. The aggregate maximum number of new shares that may be issued and treasury shares that may be transferred is 25,000,000 including also the number of shares that can be received on the basis of the special rights. The authorization is valid for 18 months from the date of the AGM resolution.

Aside from the above, the Board of Directors has no current authorization to issue shares, convertible bonds or share options.

The number of shares entered in the Trade Register on June 30, 2026 was 527,735,699. Through the issuance authorization, the number of shares may increase to a maximum of 552,735,699.

On June 30, 2026, the Company held 411,653 of its own shares, representing approximately 0.08% of the total number of Company shares and voting rights. The Board of Directors may decide to retain, transfer or cancel the treasury shares.

Legal proceedings

The Group's management is not aware of any significant litigation at the end of Q2 2026.

Helsinki, July 23, 2026
UPM-Kymmene Corporation
Board of Directors

Financial statement information

Consolidated income statement

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Continuing operations					
Sales (Note 3)	2,355	2,341	4,781	4,914	9,392
Other operating income	47	21	81	43	170
Costs and expenses	-2,049	-2,127	-4,144	-4,392	-8,412
Change in fair value of forest assets and wood harvested	-24	6	-19	12	144
Share of results of associated companies and joint ventures	1	0	2	1	0
Depreciation, amortization and impairment charges	-122	-136	-247	-282	-575
Operating profit (loss)	208	105	453	296	719
Exchange rate and fair value gains and losses	-3	-1	1	2	43
Interest and other finance costs, net	-22	-21	-45	-48	-102
Profit (loss) before tax from continuing operations	182	83	409	249	660
Income taxes	-19	-13	-51	-41	-194
Profit (loss) for the period from continuing operations	163	70	358	208	466
Discontinued operations					
Profit (loss) for the period from discontinued operations (Note 10)	3	1	9	7	24
Profit (loss) for the period	166	71	366	215	491
Attributable to:					
Owners of the parent company	158	70	353	207	480
Non-controlling interests	8	1	13	8	11
	166	71	366	215	491
Earnings per share for profit attributable to owners of the parent company					
Basic earnings per share, €	0.30	0.13	0.67	0.39	0.91
Diluted earnings per share, €	0.30	0.13	0.67	0.39	0.91
Basic earnings per share from continuing operations, €	0.29	0.13	0.65	0.38	0.86
Diluted earnings per share from continuing operations, €	0.29	0.13	0.65	0.38	0.86

Consolidated statement of comprehensive income

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Profit (loss) for the period	166	71	366	215	491
Other comprehensive income for the period, net of tax					
Items that will not be reclassified to income statement:					
Actuarial gains and losses on defined benefit obligations	1	0	8	16	31
Changes in fair value of financial assets at FVOCI	284	153	283	127	-87
Items that may be reclassified subsequently to income statement:					
Translation differences	58	-447	179	-679	-724
Net investment hedge	-7	24	-14	36	37
Cash flow hedges	-35	2	-65	71	38
Other comprehensive income for the period, net of tax	301	-267	390	-430	-705
Total comprehensive income for the period	468	-196	756	-215	-214
Total comprehensive income attributable to:					
Owners of the parent company	457	-169	733	-179	-180
Non-controlling interests	11	-27	23	-36	-34
	468	-196	756	-215	-214
Total comprehensive income attributable to owners of the parent company:					
Continuing operations	454	-170	724	-186	-204
Discontinued operations	3	1	9	7	24
Total comprehensive income for the period attributable to owners of the parent company	457	-169	733	-179	-180

Consolidated balance sheet

€ million	JUN 30, 2026	JUN 30, 2025	DEC 31, 2025
ASSETS			
Goodwill	255	267	264
Other intangible assets	464	600	554
Property, plant and equipment (Note 4)	6,391	6,543	6,459
Leased assets	755	771	778
Forest assets	2,638	2,454	2,605
Financial assets at FVOCI (Note 5)	2,472	2,381	2,193
Other non-current financial assets	17	35	24
Deferred tax assets	424	521	413
Net retirement benefit assets	1	1	1
Investments in associates and joint ventures	28	19	27
Other non-current assets	24	21	22
Non-current assets	13,469	13,614	13,337
Inventories	1,872	2,006	1,886
Trade and other receivables	1,730	1,773	1,481
Other current financial assets	46	113	78
Income tax receivables	36	53	35
Cash and cash equivalents	458	627	715
Current assets	4,142	4,572	4,194
Assets classified as held for distribution to owners (Note 10)	268	–	–
Assets	17,879	18,186	17,532
EQUITY AND LIABILITIES			
Share capital	890	890	890
Treasury shares	-2	-2	-2
Translation reserve	170	58	15
Other reserves	1,837	1,862	1,622
Reserve for invested non-restricted equity	1,273	1,273	1,273
Retained earnings	5,777	5,917	6,205
Equity attributable to owners of the parent company	9,944	9,997	10,001
Non-controlling interests	331	332	333
Equity	10,275	10,329	10,335
Deferred tax liabilities	658	684	692
Net retirement benefit liabilities	425	473	439
Provisions (Note 8)	70	76	101
Non-current debt	3,637	3,707	3,638
Other non-current financial liabilities	94	151	90
Non-current liabilities	4,884	5,090	4,961
Current debt	231	359	156
Trade and other payables	2,153	2,120	1,839
Provisions (note 8)	146	236	179
Other current financial liabilities	81	24	37
Income tax payables	31	29	25
Current liabilities	2,642	2,768	2,237
Liabilities related to assets classified as held for distribution to owners (Note 10)	78	–	–
Liabilities	7,604	7,857	7,197
Equity and liabilities	17,879	18,186	17,532

Consolidated statement of changes in equity

€ million	Share capital	Treasury shares	Translation reserve	Other reserves	Reserve for invested non-restricted equity	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
Value at January 1, 2026	890	-2	15	1,622	1,273	6,205	10,001	333	10,335
Profit for the period	–	–	–	–	–	353	353	13	366
Translation differences	–	–	169	–	–	–	169	10	179
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	43	–	–	43	–	43
Cash flow hedges - changes in fair value, net of tax	–	–	–	-109	–	–	-109	–	-109
Net investment hedge, net of tax	–	–	-14	–	–	–	-14	–	-14
Financial assets at FVOCI - changes in fair value, net of tax	–	–	–	283	–	–	283	–	283
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	8	8	–	8
Total comprehensive income for the period	–	–	155	217	–	361	733	23	756
Share-based payments, net of tax	–	–	–	-2	–	3	1	–	1
Dividend distribution	–	–	–	–	–	-791	-791	-11	-802
Return of capital to non-controlling interests	–	–	–	–	–	–	–	-14	-14
Other items	–	–	–	0	–	-1	-1	0	0
Total transactions with owners for the period	–	–	–	-2	–	-789	-791	-25	-816
Value at June 30, 2026	890	-2	170	1,837	1,273	5,777	9,944	331	10,275
Value at January 1, 2025	890	-2	657	1,678	1,273	6,644	11,139	401	11,540
Profit for the period	–	–	–	–	–	207	207	8	215
Translation differences	–	–	-635	–	–	–	-635	-44	-679
Cash flow hedges - reclassified to income statement, net of tax	–	–	–	-28	–	–	-28	–	-28
Cash flow hedges - changes in fair value, net of tax	–	–	–	99	–	–	99	–	99
Net investment hedge, net of tax	–	–	36	–	–	–	36	–	36
Financial assets at FVOCI - changes in fair value, net of tax	–	–	–	127	–	–	127	–	127
Actuarial gains and losses on defined benefit plans, net of tax	–	–	–	–	–	16	16	–	16
Total comprehensive income for the period	–	–	-599	198	–	223	-179	-36	-215
Share-based payments, net of tax	–	–	–	-13	–	3	-10	–	-10
Acquisition of treasury shares	–	-160	–	–	–	–	-160	–	-160
Cancellation of treasury shares	–	160	–	–	–	-160	–	–	–
Dividend distribution	–	–	–	–	–	-792	-792	-23	-815
Return of capital to non-controlling interests	–	–	–	–	–	–	–	-8	-8
Other items	–	–	–	0	–	-1	-1	–	-1
Acquisition of shares from non-controlling interests	–	–	–	–	–	–	–	-2	-2
Total transactions with owners for the period	–	–	–	-13	–	-950	-963	-33	-996
Value at June 30, 2025	890	-2	58	1,862	1,273	5,917	9,997	332	10,329

Consolidated cash flow statement

The following information includes both continuing and discontinued operations.

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Cash flows from operating activities					
Profit (loss) for the period from continuing operations	163	70	358	208	466
Profit (loss) for the period from discontinued operations	3	1	9	7	24
Profit (loss) for the period	166	71	366	215	491
Adjustments [1)]	205	180	342	491	743
Interest received	5	5	8	11	19
Interest paid	-45	-44	-68	-72	-126
Dividends received	0	5	1	6	8
Other financial items, net	-15	-12	-19	-15	-24
Income taxes paid	-32	-41	-66	-71	-96
Change in working capital	-147	15	-339	-97	391
Operating cash flow	136	179	225	468	1,405
Cash flows from investing activities					
Capital expenditure	-60	-113	-132	-191	-364
Additions to forest assets	-24	-21	-33	-31	-64
Acquisition of businesses and subsidiaries, net of cash acquired	0	0	0	-124	-124
Proceeds from sale of property, plant and equipment and intangible assets, net of tax	21	8	35	9	84
Proceeds from sale of forest assets, net of tax	3	2	6	12	20
Net cash flows from net investment hedges	6	20	6	20	20
Change in other non-current assets	1	0	2	0	0
Investing cash flow	-52	-103	-115	-306	-428
Cash flows from financing activities					
Proceeds from non-current debt	32	65	33	65	65
Payments of non-current debt	-15	-13	-16	-67	-148
Lease repayments	-21	-42	-45	-69	-112
Change in current liabilities	107	243	76	244	32
Net cash flows from derivatives	10	15	9	10	14
Acquisition of treasury shares	0	-44	0	-160	-160
Dividends paid to owners of the parent company	-396	-397	-396	-397	-792
Dividends paid to non-controlling interests	-11	-23	-11	-23	-23
Return of capital to non-controlling interests	-14	-8	-14	-8	-8
Other financing cash flow	0	-2	0	-1	-1
Financing cash flow	-308	-207	-364	-406	-1,135
Change in cash and cash equivalents	-225	-132	-254	-245	-158
Cash and cash equivalents at the beginning of the period	689	772	715	892	892
Exchange rate effect on cash and cash equivalents	1	-14	4	-20	-19
Change in cash and cash equivalents	-225	-132	-254	-245	-158
Change in cash and cash equivalents classified as held for distribution to owners (Note 10)	-6	0	-6	0	0
Cash and cash equivalents at the end of the period	458	627	458	627	715

[1)] Adjustments

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Change in fair value of forest assets and wood harvested	24	-6	19	-12	-144
Share of results of associated companies and joint ventures	-1	0	-2	-1	0
Depreciation, amortization and impairment charges	124	141	253	293	594
Capital gains and losses on sale of non-current assets	-25	0	-39	-1	-57
Financial income and expenses	31	22	50	46	59
Income taxes	20	13	56	43	200
Utilized provisions	-26	-18	-67	-51	-95
Non-cash changes in provisions	2	29	15	92	125
Other adjustments	56	-2	57	81	60
Total	205	180	342	491	743

Notes to the financial statements

1 Basis of preparation and accounting policies

This unaudited interim report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting and Group's consolidated statements for 2025.

Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS Accounting Standards and may not be comparable to similarly titled amounts used by other companies.

Figures presented in this report have been rounded and therefore the sum of individual figures might deviate from the presented total figure. Key figures have been calculated using exact figures.

Non-current assets and liabilities held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell, if UPM will recover their carrying amount through a sale transaction which is considered highly probable. Non-current assets classified as held for sale or included within a disposal group that is classified as held for sale, are not depreciated or amortized after the classification as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated balance sheet.

Discontinued operation is a component of an entity representing major line of business or geographical area of operations that is disposed of or classified as held for sale. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the consolidated income statement. Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in *Note 10 Assets and liabilities classified as held for distribution to owners and discontinued operations*.

Geopolitical developments and trade environment

The Group has assessed the impact of ongoing geopolitical developments and changes in the global trade environment, particularly the conflict in the Middle East between the U.S., Israel and Iran. Higher fossil fuel prices may have an increasing impact on UPM's energy costs, logistics costs and many raw material costs.

The Group expects to continue operating and meeting its liabilities as they fall due. UPM has a solid balance sheet and a broad geographic presence. As of June 30, 2026, UPM's cash funds and unused committed credit facilities totaled €2.3 billion.

2 Quarterly information by business area

€ million, or as indicated	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales									
UPM Energy	141	252	176	149	118	173	392	291	615
UPM Adhesive Materials	448	414	391	405	425	434	861	859	1,655
UPM Specialty Materials	341	332	309	304	328	374	673	702	1,315
UPM Fibres	885	876	825	797	870	1,039	1,761	1,909	3,531
UPM Communication Papers	594	613	580	619	630	664	1,207	1,294	2,493
UPM Plywood	121	119	104	113	89	103	240	192	409
Other operations	208	185	187	149	192	166	393	358	693
Internal sales	-297	-283	-258	-239	-251	-305	-580	-556	-1,053
Eliminations and reconciliations	-1	-1	-1	0	-1	0	-2	-1	-2
Sales, total	2,440	2,505	2,312	2,298	2,400	2,646	4,945	5,046	9,656
Sales, discontinued operations	84	80	60	72	59	73	164	132	264
Sales, continuing operations	2,355	2,425	2,252	2,226	2,341	2,573	4,781	4,914	9,392
Comparable EBITDA									
UPM Energy	26	102	56	39	12	51	128	63	158
UPM Adhesive Materials	56	45	33	46	49	49	101	98	176
UPM Specialty Materials	51	52	53	45	48	59	103	107	204
UPM Fibres	181	178	140	105	149	227	359	376	621
UPM Communication Papers	47	27	127	28	21	65	74	87	241
UPM Plywood	18	17	20	16	7	12	35	19	55
Other operations	-7	-15	-44	-21	-33	-37	-21	-70	-136
Eliminations and reconciliations	5	-12	-2	-6	3	-5	-7	-1	-10
Comparable EBITDA, total	376	395	382	251	257	421	771	678	1,311
Comparable EBITDA, discontinued operations	20	20	21	16	7	13	39	19	57
Comparable EBITDA, continuing operations	356	375	361	235	250	408	732	659	1,254
Operating profit									
UPM Energy	24	100	54	37	10	49	124	60	151
UPM Adhesive Materials	41	25	-6	4	28	27	67	55	53
UPM Specialty Materials	40	43	38	34	30	43	83	72	144
UPM Fibres	86	113	172	62	83	155	199	237	472
UPM Communication Papers	35	6	183	-53	-2	-22	41	-24	107
UPM Plywood	16	12	16	7	2	6	28	8	31
Other operations	-29	-35	-64	-31	-47	-54	-64	-102	-197
Eliminations and reconciliations	4	-9	-3	-6	4	-6	-5	-2	-11
Operating profit, total	217	255	390	55	107	198	472	305	749
% of sales	8.9	10.2	16.9	2.4	4.5	7.5	9.6	6.0	7.8
Operating profit, discontinued operations	9	10	13	7	2	7	20	9	30
% of sales	11.1	12.8	22.4	10.3	2.9	9.8	11.9	6.8	11.3
Operating profit, continuing operations	208	245	376	47	105	191	453	296	719
% of sales	8.8	10.1	16.7	2.1	4.5	7.4	9.5	6.0	7.7
Items affecting comparability									
UPM Energy	–	–	–	–	–	–	–	–	–
UPM Adhesive Materials	-2	-7	-26	-28	-7	-9	-10	-16	-70
UPM Specialty Materials	0	3	-2	0	-1	–	3	-1	-3
UPM Fibres	-1	–	0	–	0	–	-1	0	0
UPM Communication Papers	3	-7	73	-67	-7	-74	-4	-81	-75
UPM Plywood	0	-1	0	-4	0	–	-1	0	-4
Other operations	-11	-9	-9	0	-3	-5	-19	-8	-17
Eliminations and reconciliations [1]	-1	2	-1	1	0	-1	1	-1	-1
Items affecting comparability in operating profit, total	-13	-18	35	-99	-19	-89	-31	-108	-171
Items affecting comparability in operating profit, discontinued operations	-9	-5	-4	-4	0	–	-14	0	-8
Items affecting comparability in operating profit, continuing operations	-4	-14	39	-94	-19	-89	-18	-108	-163

€ million, or as indicated	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Comparable EBIT									
UPM Energy	24	100	54	37	10	49	124	60	151
UPM Adhesive Materials	44	33	20	33	35	36	76	71	124
UPM Specialty Materials	40	40	40	34	31	43	80	73	147
UPM Fibres	87	113	172	62	83	155	200	238	472
UPM Communication Papers	32	13	110	14	5	52	45	58	181
UPM Plywood	16	12	16	11	2	6	29	8	35
Other operations	-19	-26	-55	-31	-44	-50	-45	-94	-180
Eliminations and reconciliations	5	-11	-2	-6	3	-5	-6	-1	-10
Comparable EBIT, total	230	274	355	153	126	287	504	413	921
% of sales	9.4	10.9	15.3	6.7	5.2	10.8	10.2	8.2	9.5
Comparable EBIT, discontinued operations	18	15	17	12	2	7	33	9	38
% of sales	21.4	19.0	28.8	16.0	3.2	9.8	20.2	6.9	14.4
Comparable EBIT, continuing operations	212	259	337	142	124	280	471	404	883
% of sales	9.0	10.7	15.0	6.4	5.3	10.9	9.8	8.2	9.4

[1] Eliminations and adjustments includes changes in fair value of unrealized cash flow and commodity hedges.

Items affecting comparability

Certain non-operational or non-cash valuation transactions with significant income statement impact are considered as items affecting comparability and reported separately to reflect the underlying business performance and to enhance comparability from period to period.

In 2026, items affecting comparability include €5 million restructuring charges to improve operations' competitiveness and efficiency and €4 million addition to restructuring charges related to the closure of Kaltenkirchen factory in UPM Adhesive Materials, €7 million restructuring charges to improve end-to-end efficiency, €1 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany, €1 million addition to prior restructuring charges and €1 million gain on sale of current assets in Kaukas site in UPM Communication Papers. In addition, items affecting comparability include €38 million capital gain on sale of non-current assets in Other operations and in UPM Specialty Materials. Other non-operational items include €13 million charges related to the strategic review of UPM Plywood Business Area and €36 million charges related to the announced definite agreement related to joint venture transaction between Sappi and UPM in the graphic paper business. Items affecting comparability in financial items include financial expenses and income related to the strategic review of UPM Plywood Business Area.

In 2025, items affecting comparability include restructuring and impairment charges related to the closure of Ettringen paper mill in Germany, the exercise of a put option concerning the Kraftwerk Plattling power plant company, the closure of Kaukas paper machine 1 in Finland in UPM Communication Papers, the discontinuation of label materials' production at Nancy factory in France in UPM Adhesive Materials, the closure of UPM Biomedicals business, and the discontinuation of Rotterdam refinery project in Other operations. In addition, they include other restructuring and impairment charges in UPM Adhesive Materials, UPM Specialty Materials, UPM Communication Papers, UPM Plywood and Other operations. Items affecting comparability include €46 million capital gain on sale of Plattling paper mill site and another €7 million capital gain on sale of non-current assets in UPM Communication Papers. Other non-operational items include acquisition charges related to Metamark acquisition and charges related to the strategic review of UPM Plywood Business Area and to the announced definite agreement related to joint venture transaction between Sappi and UPM in the graphic paper business. Items affecting comparability in taxes include the impact of the future corporate income tax rate change in Germany. The legislation was enacted in 2025.

€ million	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Comparable profit for the period, continuing operations	163	203	286	93	87	217	366	305	684
Items affecting comparability, Group total									
Impairment charges	0	-3	-10	-35	-3	-11	-3	-14	-59
Restructuring charges	-2	-13	9	-71	-16	-72	-15	-88	-151
Change in fair value of unrealized cash flow and commodity hedges	-1	2	-1	1	0	-1	1	-1	-1
Capital gains and losses on sale of non-current assets	24	14	48	7	–	–	38	–	55
Other non-operational items	-34	-18	-10	–	0	-4	-51	-4	-15
Total items affecting comparability in operating profit, Group total	-13	-18	35	-99	-19	-89	-31	-108	-171
Items affecting comparability in financial items	-6	–	–	–	-1	–	-6	-1	-1
Changes in tax rates	-1	–	-68	–	–	3	-1	3	-65
Taxes relating to items affecting comparability	8	6	-10	14	3	7	14	9	13
Items affecting comparability in taxes	7	6	-77	14	3	10	13	13	-51
Items affecting comparability, total	-11	-13	-42	-85	-17	-79	-24	-97	-224
Items affecting comparability, discontinued operations	-11	-4	-3	-3	0	0	-15	0	-6
Items affecting comparability, continuing operations	0	-9	-39	-82	-17	-79	-9	-97	-217
Profit (loss) for the period, continuing operations	163	195	246	12	70	138	358	208	466

Items affecting comparability by business area

Business area	Items affecting comparability [1)]
UPM Energy	There are no items affecting comparability in 2026 or 2025.
UPM Adhesive Materials	In Q2 2026, items affecting comparability include €2 million addition to restructuring charges related to the closure of Kaltenkirchen factory. In Q1 2026, items affecting comparability include €5 million restructuring charges to improve operations' competitiveness and efficiency and €2 million addition to restructuring charges related to the closure of Kaltenkirchen factory. In 2025, items affecting comparability include €30 million restructuring charges to improve operations' competitiveness and efficiency, €28 million restructuring charges related to the discontinuation of label materials' production at Nancy factory in France, €6 million addition to impairment charges and €2 million reversal of restructuring charges related to the closure of Kaltenkirchen factory, €3 million charges related to Metamark acquisition and a €1 million addition to charges related to Adhesive Materials factory which was impacted by Hurricane Helene and €3 million addition to prior restructuring charges.
UPM Specialty Materials	In Q2 2026, there are no items affecting comparability. In Q1 2026, items affecting comparability include €2 million restructuring charges to improve end-to-end efficiency and €5 million gain on sale of non-current assets. In 2025, items affecting comparability relate to restructuring measures.
UPM Fibres	In Q2 2026, items affecting comparability include €1 million non-operational costs. In Q1 2026, there are no items affecting comparability. In 2025, items affecting comparability include €1 million restructuring charges and €1 million capital gain on sale on Korkeakoski saw mill.
UPM Communication Papers	In Q2 2026, items affecting comparability include €1 million addition to restructuring charges related to prior restructurings, €1 million income on sale of current assets related to the Kaukas paper machine 1 closure and €3 million impairment reversal of non-current assets. In Q1 2026, items affecting comparability include €5 million restructuring charges to improve end-to-end efficiency, €1 million reversal of restructuring charges related to the closure of Ettringen paper mill in Germany and €3 million impairment of non-current assets. In 2025, items affecting comparability include €42 million restructuring charges and €10 million impairment charges related to the closure of Ettringen paper mill in Germany, €36 million restructuring charges and €36 million impairment charges of fixed assets related to the closure of Kaukas paper machine 1 in Finland, €14 million reversal of restructuring charges related to the closure of Plattling paper mill in 2023, €9 million restructuring charges in UPM Communication Papers to improve mills' operations' efficiency, €4 million restructuring charges and €4 million impairment charges resulting from the exercise of a put option concerning the Kraftwerk Plattling power plant company, € 46 million capital gain on sale of Plattling paper mill site, €7 million capital gain on sale of non-current assets and €1 million addition to prior restructuring charges.
UPM Plywood	In Q1 2026, there are no items affecting comparability. In Q2 2026, items affecting comparability include €1 million charges related to strategic review of UPM Plywood Business Area. In 2025, items affecting comparability relate to earlier restructuring measures.
Other operations	In Q2 2026, items affecting comparability include €8 million charges related to strategic review of UPM Plywood Business Area, €23 million charges related to the announced definite agreement related to joint venture transaction between Sappi and UPM in the graphic paper business, €3 million impairment charges of non-current assets and €24 million capital gain on sale of non-current assets. In Q1 2026, items affecting comparability include €4 million charges related to strategic review of UPM Plywood Business Area, €13 million charges related to the announced definite agreement related to joint venture transaction between Sappi and UPM in the graphic paper business, and €9 million capital gain on sale on non-current assets. In 2025, items affecting comparability include €10 million charges related to strategic review of UPM Plywood Business Area and to the announced definite agreement related to joint venture transaction between Sappi and UPM in the graphic paper business, €3 million restructuring charges and €1 million impairment charges related to the closure of the UPM Biomedicals business, €1 million reversal of restructuring charges related to the closure of UPM Biocomposites business, €2 million restructuring charges related to discontinuation of Rotterdam refinery project and €1 million impairment of residual goodwill in Other operations.

[1)] For the current year, the descriptions of items affecting comparability reflect events accumulated on a quarter-to-date basis and for the prior year, the description of items affecting comparability reflect events accumulated on a year-to-date basis and reflect the full year. The year 2026 includes events occurring in April-June 2026 and January–March 2026, and the year 2025 includes events occurring in January–December 2025.

3 External sales by major products

Business area	Business	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
€ million						
UPM Energy	UPM Energy	98	94	291	226	480
UPM Adhesive Materials	UPM Adhesive Materials	448	425	861	859	1,655
UPM Specialty Materials	UPM Specialty Materials	288	278	568	593	1,108
UPM Fibres	UPM Pulp UPM Timber UPM Forest	702	714	1,422	1,569	2,908
UPM Communication Papers	UPM Communication Papers	585	622	1,190	1,278	2,459
UPM Plywood	UPM Plywood	115	85	229	184	389
Other operations	UPM Biofuels UPM Biochemicals UPM Biomedicals [1)]	205	183	387	339	659
Eliminations and reconciliations		-1	-1	-2	-1	-2
Total		2,440	2,400	4,945	5,046	9,656
Sales, discontinued operations		84	59	164	132	264
Sales, continuing operations		2,355	2,341	4,781	4,914	9,392

[1)] Operations in UPM Biomedicals have been terminated in Q3 2025.

Business	Product range
UPM Energy	Electricity and related services
UPM Adhesive Materials	Self-adhesive paper, film and graphic materials
UPM Specialty Materials	Labelling materials, release base papers, flexible packaging materials, office papers, graphic papers
UPM Pulp	Softwood, birch and eucalyptus pulp
UPM Timber	Standard and special sawn timber
UPM Forest	Wood and wood-based biomass (logs, pulpwood, chips, forest residues etc.), full forestry service offering
UPM Communication Papers	Graphic papers for various end uses
UPM Plywood	Plywood and veneer products
UPM Biofuels	Wood-based renewable diesel for transport and renewable naphtha for transport and petrochemicals
UPM Biochemicals	Lignin products for industrial use

4 Changes in property, plant and equipment

€ million	Q1-Q2/2026	Q1-Q2/2025	Q1–Q4/2025
Book value at beginning of period	6,459	7,085	7,085
Reclassification to assets held for distribution to owners	-106	–	–
Capital expenditure	108	194	400
Companies acquired	0	4	4
Decreases	-2	0	-53
Depreciation	-193	-220	-421
Impairment charges	0	-9	-40
Impairment reversal	1	–	–
Reclassifications	-1	0	-2
Translation difference and other changes	126	-511	-515
Book value at end of period	6,391	6,543	6,459

Capital expenditure in 2026 and 2025 mainly relate to the construction of the new biorefinery in Germany. Reclassification to assets held for distribution to owners relates to the planned demerger of UPM Plywood. Please refer to *Note 10 Assets and liabilities classified as held for distribution to owners and discontinued operations* for more information.

Impairment charges in 2025 mainly relate to the closure of the Ettringen paper mill in Germany, the closure of paper machine 1 at the Kaukas mill in Finland and to the closure of Kaltenkirchen factory in Germany. Companies acquired in 2025 mainly relate to the acquisition of Metamark. The decrease in 2025 relates to the sale of Korkeakoski sawmill to Versowood and to the sale of the Plattling paper mill site in Germany.

5 Financial assets and liabilities

Financial assets and liabilities measured at fair value

€ million	JUN 30, 2026				JUN 30, 2025				DEC 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets												
Investment funds	–	1	–	1	–	1	–	1	–	1	–	1
Derivatives non-qualifying hedges	–	2	–	2	–	19	–	19	–	8	–	8
Derivatives under hedge accounting	–	54	–	54	1	110	–	111	–	85	–	85
Financial assets at FVOCI	–	–	2,472	2,472	–	–	2,381	2,381	–	–	2,193	2,193
Total	–	58	2,472	2,530	1	130	2,381	2,512	–	94	2,193	2,287
Financial liabilities												
Derivatives non-qualifying hedges	–	7	–	7	–	9	–	9	–	6	–	6
Derivatives under hedge accounting	2	195	–	197	1	107	–	108	–	150	–	150
Total	2	202	–	204	1	116	–	117	–	155	–	155

There have been no transfers between levels.

Specific valuation techniques used to value financial instruments at level 2 include the following methods:
Interest forward rate agreements (FRAs) are fair valued based on quoted market rates on the balance sheet date. Forward foreign exchange contracts are fair valued based on the contract forward rates at the balance sheet date.

Foreign currency options are fair valued based on quoted market rates and market volatility rates on the balance sheet date by using the Black&Scholes option valuation model. Interest and currency swap instruments are fair valued as present value of the estimated future cash flows based on observable yield curves. Commodity swaps are fair valued based on forward curve quotations received from service providers. Valuation of investment funds is based on quoted prices (unadjusted) for identical assets in markets that are not active.

Fair value measurements using significant unobservable inputs, Level 3

	Financial assets at FVOCI		
€ million	Q1-Q2/2026	Q1-Q2/2025	Q1–Q4/2025
Book value at beginning of period	2,193	2,247	2,247
Additions	0	0	29
Fair value changes recognised in other comprehensive income	280	134	-83
Book value at end of period	2,472	2,381	2,193

The majority of financial assets at FVOCI consists of energy shareholdings. The strategic partnership agreement between UPM and Versowood, which became effective on December 31, 2025, increased financial assets measured at FVOCI by €29 million.

Fair valuation of energy shareholdings in UPM Energy (Pohjolan Voima Oyj's A, B and B2 shares, Kemijoki Oy shares, and Länsi-Suomen Voima Oy shares) is based on the discounted cash flows model. As of June 30, 2025, UPM has no ownership in Pohjolan Voima Oyj's C shares. The electricity price estimate is based on future electricity forward prices and a simulation of the Finnish area electricity price. A change of 5% in the electricity price used in the model would change the total value of the assets by approximately €360 (280 in Q2 2025) million.

The discount rate of 6.44% (7.43% in Q2 2025) used in the valuation model of energy shareholdings is determined using the weighted average cost of capital method. A change of 0.5 percentage points in the discount rate would change the total value of the assets by approximately €250 (200 in Q2 2025) million.

The increase in fair value during the reporting period was mainly due to the decrease in the discount rate, offset partly by the decrease in forecasted electricity market prices.

Fair value of financial assets and liabilities measured at amortized cost

€ million	JUN 30, 2026 Carrying amount	JUN 30, 2026 Fair value	JUN 30, 2025 Carrying amount	JUN 30, 2025 Fair value	DEC 31, 2025 Carrying amount	DEC 31, 2025 Fair value
Bonds	2,606	2,520	2,605	2,545	2,594	2,507
Other non-current debt excl. derivative financial instruments and lease liabilities	264	261	343	349	249	247
Total	2,869	2,780	2,948	2,894	2,844	2,754

The carrying amounts are not significantly different from fair values due to hedges. The fair values of all other financial assets and liabilities approximate their carrying amount.

6 Commitments and contingencies

The following information includes both continuing and discontinued operations.

€ million	JUN 30, 2026	JUN 30, 2025	DEC 31, 2025
Other own commitments			
Commitments related to off-balance sheet short-term leases	1	1	1
Other commitments	139	123	128
Total	140	124	129

Capital commitments

€ million	Completion	Total cost	BY December 31, 2025	Q1-Q2/2026	AFTER June 30, 2026
New biorefinery / Germany	H2 2026	1,370	1,293	28	49
Advanced label material capacity increase / Mills River, NC	Q3 2026	13	4	8	1
Capability enhancement and capacity increase / Malaysia	Q4 2026	12	2	6	4
Tyrvää hydropower plant modernization / Finland	Q3 2030	19	4	–	15

7 Notional amounts of derivative financial instruments

The following information includes both continuing and discontinued operations.

€ million	JUN 30, 2026	JUN 30, 2025	DEC 31, 2025
Interest rate futures	2,429	1,940	1,319
Interest rate swaps	1,679	1,671	1,668
Forward foreign exchange contracts	2,820	3,012	3,192
Currency options, bought	–	–	–
Currency options, written	–	–	–
Cross currency swaps	113	124	114
Commodity contracts	472	447	401

8 Provisions

€ million	Restructuring	Termination	Environmental	Emissions	Other	Total
Value at January 1, 2026	70	89	29	63	30	280
Provisions made during the year	3	13	0	39	1	55
Provisions utilized during the year	-20	-41	0	-36	-6	-103
Unused provisions reversed	0	-2	0	-2	0	-4
Reclassification to liabilities held for distribution to owners	–	-1	-12	0	-2	-14
Translation differences	0	0	0	1	0	1
Value at June 30, 2026	53	58	18	64	23	215

9 Change in the composition of reportable segments

The Group has changed its reportable segments composition by moving UPM Forest business into UPM Fibres business area as of January 1, 2026. The vast majority of wood used by UPM in Finland is consumed within the UPM Fibres business, and the Finnish forests are therefore considered an integral operational and strategic part of UPM Fibres North operations. In addition, the change improves consistency with UPM Fibres operations in Uruguay, where forest assets have already been reported as part of the UPM Fibres South operations. Until the end of 2025, UPM Forest was included in Other operations.

UPM Biorefining, consisting of UPM Biochemicals and UPM Biofuels and reported as part of Other operations, was renamed UPM Next Generation Renewables as of January 1, 2026.

Following these changes, Other Operations includes UPM Next Generation Renewables, Wood sourcing, Group services and Technology and forest assets in the U.S.

The change impacts KPIs of UPM Fibres reportable segment and Other Operations. The comparative periods have been restated according to the new reporting principles. The reporting change has had no impact on Group financial result or balance sheet.

UPM Fibres

	UPM Fibres as published					UPM Fibres restated				
	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	781	777	838	1,010	3,407	825	797	870	1,039	3,531
Comparable EBITDA, € million	102	88	119	202	511	140	105	149	227	621
% of sales	13.1	11.4	14.1	20.0	15.0	17.0	13.1	17.2	21.8	17.6
Change in fair value of forest assets and wood harvested, € million	31	22	9	2	65	103	28	6	6	144
Share of results of associated companies and joint ventures, € million	0	1	1	1	2	0	1	1	1	2
Depreciation, amortization and impairment charges, € million	-72	-72	-72	-79	-295	-72	-72	-73	-79	-295
Operating profit, € million	62	39	55	126	282	172	62	83	155	472
% of sales	8.0	5.1	6.6	12.4	8.3	20.9	7.8	9.5	14.9	13.4
Items affecting comparability in operating profit, € million [1)]	0	–	0	–	0	0	–	0	–	0
Comparable EBIT, € million	62	39	56	126	283	172	62	83	155	472
% of sales	8.0	5.1	6.6	12.4	8.3	20.9	7.8	9.6	14.9	13.4
Capital employed (average), € million	6,464	6,539	6,680	7,298	6,745	8,294	8,349	8,482	9,099	8,556
Comparable ROCE, %	3.9	2.4	3.3	6.9	4.2	8.3	3.0	3.9	6.8	5.5

Other Operations

	Other operations as published					Other operations restated				
	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25	Q4/25	Q3/25	Q2/25	Q1/25	Q1-Q4/25
Sales, € million	187	149	192	166	693	187	149	192	166	693
Comparable EBITDA, € million	-6	-5	-2	-12	-25	-44	-21	-33	-37	-136
Change in fair value of forest assets and wood harvested, € million	72	6	-3	4	80	0	0	0	0	0
Share of results of associated companies and joint ventures, € million	-2	0	0	0	-2	-2	0	0	0	-2
Depreciation, amortization and impairment charges, € million	-10	-10	-11	-14	-45	-10	-10	-11	-14	-44
Operating profit, € million	46	-9	-20	-25	-8	-64	-31	-47	-54	-197
Items affecting comparability in operating profit, € million [1)]	-9	0	-3	-5	-17	-9	0	-3	-5	-17
Comparable EBIT, € million	55	-9	-16	-21	9	-55	-31	-44	-50	-180
Capital employed (average), € million	3,188	3,125	3,136	2,999	3,112	1,358	1,315	1,334	1,198	1,301
Comparable ROCE, %	6.9	-1.1	-2.1	-2.7	0.3	-16.2	-9.6	-13.2	-16.6	-13.8

10 Assets and liabilities classified as held for distribution to owners and discontinued operations

On September 23, 2025 UPM announced a strategic review of the UPM Plywood business area to assess options for maximizing its long-term potential in an evolving market environment. On April 29 2026, UPM's Board of Directors approved a demerger plan concerning the separation of UPM Plywood business area into a new independent listed company, to be named WISA Group Plc. The demerger is subject to approval by UPM's Extraordinary General Meeting to be held on August 31, 2026. The planned completion date of the demerger is October 31, 2026. A demerger and listing prospectus was published on July 16, 2026.

Based on the strategic review, the Board of Directors of UPM has approved a demerger plan concerning a partial demerger of UPM. According to the demerger plan, UPM will demerge so that all assets and liabilities of UPM relating to the UPM Plywood business area, or mainly serving the UPM Plywood business area, are transferred to WISA Group Plc ("WISA Group"), a company to be established in the demerger (the "Demerger").

UPM intends to apply for admitting the shares of WISA Group for trading on the official list of Nasdaq Helsinki Ltd ("Nasdaq Helsinki"). Upon the completion of the Demerger, WISA Group would initially have the same shareholder structure as UPM.

As a result of the demerger plan approval, UPM presents the UPM Plywood business area as discontinued operations in accordance with the IFRS 5 Non-current assets held for sale and discontinued operations starting from the second quarter of 2026.

In accordance with IFRS 5 standard, the profit (loss) for the period from discontinued operations is presented in the consolidated income statement separately from the income and expenses of continuing operations, and assets and liabilities related to the discontinued operations are presented separately as assets and liabilities classified as held for distribution to owners in the consolidated balance sheet. The comparison periods have been adjusted accordingly in the consolidated income statement. The consolidated balance sheet has not been adjusted.

The presented discontinued operations include revenue and expenses directly related to the UPM Plywood business area, as well as other income and expenses related to continuing operations that are not expected to continue after the Demerger or that would have been avoided without the proposed Demerger. The balance sheet items that are presented as held for distribution to owners include, in addition to the balance sheet items in UPM Plywood business area, the balance sheet items that will not be part of UPM as a result of the Demerger. As a result of the classification of the disposal group as held for distribution to owners in accordance with IFRS 5, depreciation and amortization of the related non-current assets is ceased.

Due to the reasons described above, the financial information presented for the discontinued operations is not representative of the historical or future profitability of the UPM Plywood business area as a standalone business.

The tables below include additional information about UPM Plywood as discontinued operations.

Income statement, discontinued operations

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Sales (Note 3)	84	59	164	132	264
Other operating income	0	0	0	0	3
Costs and expenses	-73	-52	-138	-113	-218
Depreciation, amortization and impairment charges	-2	-5	-6	-10	-19
Operating profit (loss)	9	2	20	9	30
Interest and other finance costs, net	-6	0	-6	0	0
Profit (loss) before tax from discontinued operations	4	2	14	9	30
Income taxes	0	0	-5	-2	-5
Profit (loss) for the period from discontinued operations	3	1	9	7	24
Attributable to:					
Owners of the parent company	3	1	9	7	24
Non-controlling interests	0	0	0	0	0
	3	1	9	7	24
Earnings per share for profit attributable to owners of the parent company					
Basic earnings per share from discontinued operations, €	0.01	0.00	0.02	0.01	0.05
Diluted earnings per share from discontinued operations, €	0.01	0.00	0.02	0.01	0.05

There are no items in other comprehensive income for the periods related to discontinued operations and therefore UPM will not present a separate table for Comprehensive income for the period for discontinued operations.

Consolidated balance sheet, discontinued operations

€ million	JUN 30, 2026	JUN 30, 2025	DEC 31, 2025
ASSETS			
Goodwill	13	13	13
Other intangible assets	8	8	8
Property, plant and equipment	106	111	109
Leased assets	6	5	7
Non-current assets	134	137	137
Inventories	75	63	79
Trade and other receivables	49	41	32
Income tax receivables	3	5	1
Cash and cash equivalents	6	3	3
Current assets	134	112	115
Assets	268	249	252
LIABILITIES			
Deferred tax liabilities	12	11	11
Provisions	14	10	14
Non-current debt	4	3	5
Non-current liabilities	30	24	29
Current debt	2	1	2
Trade and other payables	45	46	46
Provisions	0	1	1
Income tax payables	1	0	–
Current liabilities	48	48	48
Liabilities	78	72	77

Consolidated cash flow statement, discontinued operations

€ million	Q2/2026	Q2/2025	Q1–Q2/2026	Q1–Q2/2025	Q1–Q4/2025
Operating cash flow	5	2	7	4	11
Investing cash flow	-1	-2	-2	-3	-8
Financing cash flow	0	0	-1	-1	-1
Change in cash and cash equivalents	3	0	4	1	1

Alternative performance measures

Quarterly key figures

In addition to the conventional financial performance measures established by the IFRS, certain key figures (alternative performance measures) are presented to reflect the underlying business performance and enhance comparability from period to period.

Quarterly key figures, continuing operations

	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	2,355	2,425	2,252	2,226	2,341	2,573	4,781	4,914	9,392
Comparable EBITDA, € million	356	375	361	235	250	408	732	659	1,254
% of sales	15.1	15.5	16.0	10.6	10.7	15.9	15.3	13.4	13.4
Comparable EBIT, € million	212	259	337	142	124	280	471	404	883
% of sales	9.0	10.7	15.0	6.4	5.3	10.9	9.8	8.2	9.4
Comparable profit before tax, € million	186	240	353	113	103	255	426	359	825
Capital employed (average, € million)	14,070	14,067	14,034	14,166	14,241	14,770	13,951	14,741	14,608
Comparable ROCE, %	6.0	7.6	11.0	4.0	3.7	7.8	6.9	5.7	6.5
Comparable profit for the period, € million	163	203	286	93	87	217	366	305	684
Comparable EPS, €	0.29	0.38	0.54	0.17	0.16	0.40	0.67	0.56	1.27
Items affecting comparability in operating profit, € million	-4	-14	39	-94	-19	-89	-18	-108	-163
Items affecting comparability in financial items, € million	0	–	–	–	-1	–	0	-1	-1
Items affecting comparability in taxes, € million	4	5	-78	13	3	10	9	13	-53
Capital expenditure, € million	51	58	151	91	118	253	109	371	613
Capital expenditure excluding acquisitions, € million	51	58	122	81	117	81	109	198	401
Personnel at the end of period	13,665	13,347	13,676	14,166	14,764	14,386	13,665	14,764	13,676

Quarterly key figures, discontinued operations

	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	84	80	60	72	59	73	164	132	264
Comparable EBITDA, € million	20	20	21	16	7	13	39	19	57
% of sales	23.3	24.8	35.3	22.3	11.9	17.2	24.0	14.8	21.5
Comparable EBIT, € million	18	15	17	12	2	7	33	9	38
% of sales	21.4	19.0	28.8	16.0	3.2	9.8	20.2	6.9	14.4
Comparable profit before tax, € million	18	15	17	11	2	7	33	9	38
Capital employed (average, € million)	192	185	176	176	180	181	188	183	182
Comparable ROCE, %	37.4	32.7	39.4	26.2	4.3	15.9	35.1	10.0	20.8
Comparable profit for the period, € million	14	9	14	9	1	6	24	7	31
Comparable EPS, €	0.03	0.02	0.03	0.02	0.00	0.01	0.05	0.01	0.06
Items affecting comparability in operating profit, € million	-9	-5	-4	-4	0	–	-14	0	-8
Items affecting comparability in financial items, € million	-6	–	–	–	–	–	-6	–	–
Items affecting comparability in taxes, € million	3	1	1	1	0	–	4	0	2
Capital expenditure, € million	2	1	3	3	2	1	3	2	8
Capital expenditure excluding acquisitions, € million	2	1	3	3	2	1	3	2	8
Personnel at the end of period	1,519	1,454	1,451	1,476	1,543	1,504	1,519	1,543	1,451

Quarterly key figures, UPM total

	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Sales, € million	2,440	2,505	2,312	2,298	2,400	2,646	4,945	5,046	9,656
Comparable EBITDA, € million	376	395	382	251	257	421	771	678	1,311
% of sales	15.4	15.8	16.5	10.9	10.7	15.9	15.6	13.4	13.6
Comparable EBIT, € million	230	274	355	153	126	287	504	413	921
% of sales	9.4	10.9	15.3	6.7	5.2	10.8	10.2	8.2	9.5
Comparable profit before tax, € million	204	255	370	125	105	262	459	367	863
Capital employed (average, € million)	14,262	14,252	14,210	14,343	14,421	14,951	14,139	14,923	14,791
Comparable ROCE, %	6.5	7.9	11.3	4.3	3.7	7.9	7.2	5.8	6.7
Comparable profit for the period, € million	177	213	300	103	89	223	390	312	714
Total equity, average, € million	10,446	10,476	10,362	10,359	10,458	11,064	10,305	10,934	10,937
Comparable ROE, %	6.8	8.1	11.6	4.0	3.4	8.1	7.6	5.7	6.5
Average number of shares basic (1,000)	527,324	527,324	527,324	527,324	527,391	532,245	527,324	529,805	528,554
Comparable EPS, €	0.32	0.39	0.57	0.19	0.17	0.41	0.71	0.57	1.33
Items affecting comparability in operating profit, € million	-13	-18	35	-99	-19	-89	-31	-108	-171
Items affecting comparability in financial items, € million	-6	–	–	–	-1	–	-6	-1	-1
Items affecting comparability in taxes, € million	7	6	-77	14	3	10	13	13	-51
Operating cash flow, € million	136	89	720	218	179	289	225	468	1,405
Operating cash flow per share, €	0.26	0.17	1.36	0.41	0.34	0.54	0.43	0.88	2.66
Net debt at the end of period, € million	3,313	2,962	3,004	3,218	3,310	2,954	3,313	3,310	3,004
Net debt to EBITDA (last 12 m.)	2.36	2.30	2.29	2.36	2.12	1.77	2.36	2.12	2.29
Gearing ratio, %	32	28	29	31	32	28	32	32	29
Equity per share at the end of period, €	18.86	19.48	18.97	19.07	18.96	19.29	18.86	18.96	18.97
Capital expenditure, € million	54	59	154	94	120	254	112	374	621
Capital expenditure excluding acquisitions, € million	54	59	125	84	119	81	112	201	409
Equity to assets ratio, %	57.5	59.7	59.0	57.6	56.8	56.3	57.5	56.8	59.0
Personnel at the end of period	15,184	14,801	15,127	15,642	16,307	15,890	15,184	16,307	15,127

The definitions of alternative performance measures are presented in the section *» Other financial information in UPM's Annual Report 2025*

Reconciliation of key figures to IFRS

€ million, or as indicated	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Items affecting comparability, UPM total									
Impairment charges	0	-3	-10	-35	-3	-11	-3	-14	-59
Restructuring charges	-2	-13	9	-71	-16	-72	-15	-88	-151
Change in fair value of unrealized cash flow and commodity hedges	-1	2	-1	1	0	-1	1	-1	-1
Capital gains and losses on sale of non-current assets	24	14	48	7	–	–	38	–	55
Other non-operational items	-34	-18	-10	–	0	-4	-51	-4	-15
Total items affecting comparability in operating profit	-13	-18	35	-99	-19	-89	-31	-108	-171
Items affecting comparability in financial items	-6	–	–	–	-1	–	-6	-1	-1
Changes in tax rates	-1	–	-68	–	–	3	-1	3	-65
Taxes relating to items affecting comparability	8	6	-10	14	3	7	14	9	13
Items affecting comparability in taxes	7	6	-77	14	3	10	13	13	-51
Items affecting comparability, total	-11	-13	-42	-85	-17	-79	-24	-97	-224
Items affecting comparability, discontinued operations									
Items affecting comparability in operating profit	-9	-5	-4	-4	0	–	-14	0	-8
Items affecting comparability in financial items	-6	–	–	–	–	–	-6	–	–
Items affecting comparability in taxes	3	1	1	1	0	–	4	0	2
Items affecting comparability, discontinued operations	-11	-4	-3	-3	0	–	-15	0	-6
Items affecting comparability, continuing operations									
Items affecting comparability in operating profit	-4	-14	39	-94	-19	-89	-18	-108	-163
Items affecting comparability in financial items	0	–	–	–	-1	–	0	-1	-1
Items affecting comparability in taxes	4	5	-78	13	3	10	9	13	-53
Items affecting comparability, continuing operations	0	-9	-39	-82	-17	-79	-9	-97	-217
Comparable EBITDA, continuing operations									
Operating profit (loss)	208	245	376	47	105	191	453	296	719
Depreciation, amortization and impairment charges excluding items affecting comparability	122	122	126	122	133	135	244	268	516
Change in fair value of forest assets and wood harvested excluding items affecting comparability	24	-5	-104	-28	-6	-6	19	-12	-144
Share of result of associates and joint ventures	-1	0	1	0	0	0	-2	-1	0
Items affecting comparability in operating profit	4	14	-39	94	19	89	18	108	163
Comparable EBITDA, continuing operations	356	375	361	235	250	408	732	659	1,254
% of sales	15.1	15.5	16.0	10.6	10.7	15.9	15.3	13.4	13.4
Comparable EBIT, continuing operations									
Operating profit (loss)	208	245	376	47	105	191	453	296	719
Items affecting comparability in operating profit	4	14	-39	94	19	89	18	108	163
Comparable EBIT, continuing operations	212	259	337	142	124	280	471	404	883
% of sales	9.0	10.7	15.0	6.4	5.3	10.9	9.8	8.2	9.4
Comparable profit before tax, continuing operations									
Profit (loss) before tax	182	226	392	19	83	166	409	249	660
Items affecting comparability in operating profit	4	14	-39	94	19	89	18	108	163
Items affecting comparability in financial items	0	–	–	–	1	–	0	1	1
Comparable profit before tax, continuing operations	186	240	353	113	103	255	426	359	825
Comparable ROCE, %, continuing operations									
Comparable profit before tax	186	240	353	113	103	255	426	359	825
Interest expenses and other financial expenses	26	26	32	30	29	33	52	62	124
	213	266	386	143	132	289	479	421	949
Capital employed, average	14,070	14,067	14,034	14,166	14,241	14,770	13,951	14,741	14,608
Comparable ROCE, %, continuing operations	6.0	7.6	11.0	4.0	3.7	7.8	6.9	5.7	6.5
Comparable profit for the period, continuing operations									
Profit (loss) for the period	163	195	246	12	70	138	358	208	466
Items affecting comparability, total	0	9	39	82	17	79	9	97	217
Comparable profit for the period, continuing operations	163	203	286	93	87	217	366	305	684
Comparable EPS, €, continuing operations									
Comparable profit for the period	163	203	286	93	87	217	366	305	684
Profit attributable to non-controlling interest	-8	-6	-1	-2	-1	-6	-13	-8	-11
	155	198	284	92	86	211	353	297	673
Average number of shares basic (1,000)	527,324	527,324	527,324	527,324	527,391	532,245	527,324	529,805	528,554
Comparable EPS, €, continuing operations	0.29	0.38	0.54	0.17	0.16	0.40	0.67	0.56	1.27

The following information includes both continuing and discontinued operations.

€ million, or as indicated	Q2/26	Q1/26	Q4/25	Q3/25	Q2/25	Q1/25	Q1–Q2/26	Q1–Q2/25	Q1–Q4/25
Comparable ROE, %									
Comparable profit for the period	177	213	300	103	89	223	390	312	714
Total equity, average	10,446	10,476	10,362	10,359	10,458	11,064	10,305	10,934	10,937
Comparable ROE, %	6.8	8.1	11.6	4.0	3.4	8.1	7.6	5.7	6.5
Net debt									
Non-current debt	3,641	3,629	3,638	3,634	3,707	3,710	3,641	3,707	3,638
Current debt	233	130	156	268	359	150	233	359	156
Total debt	3,874	3,759	3,794	3,902	4,066	3,860	3,874	4,066	3,794
Non-current interest-bearing assets	30	30	32	33	33	35	30	33	32
Cash and cash equivalents	465	689	715	577	627	772	465	627	715
Other current interest-bearing assets	66	78	43	74	96	99	66	96	43
Total interest-bearing assets	561	797	790	684	755	906	561	755	790
Net debt	3,313	2,962	3,004	3,218	3,310	2,954	3,313	3,310	3,004

It should be noted that certain statements herein, which are not historical facts, including, without limitation, those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements. Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties which may cause actual results to materially differ from those expressed in such forward-looking statements. Such factors include, but are not limited to: (1) operating factors such as continued success of manufacturing activities and the achievement of efficiencies therein including the availability and cost of production inputs, continued success of product development, acceptance of new products or services by the Group’s targeted customers, success of the existing and future collaboration arrangements, changes in business strategy or development plans or targets, changes in the degree of protection created by the Group’s patents and other intellectual property rights, the availability of capital on acceptable terms; (2) industry conditions, such as strength of product demand, intensity of competition, prevailing and future global market prices for the Group’s products and the pricing pressures thereto, financial condition of the customers and the competitors of the Group, the potential introduction of competing products and technologies by competitors; and (3) general economic conditions, such as rates of economic growth in the Group’s principal geographic markets or fluctuations in exchange and interest rates. The main earnings sensitivities and the Group’s cost structure are presented on page 276 of the 2025 Annual Report. Risks and opportunities are discussed on pages 31–33 and risks and risk management are presented on pages 128–132 of the report.

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